MILITARY CONSTRUCTION APPROPRIATIONS FOR 1987

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON MILITARY CONSTRUCTION APPROPRIATIONS

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Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1986

For sale by the Superintendent of Documents, Congressional Sales Office
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58-885 O

58-885 O - 86 - 1

H181-35

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MILITARY CONSTRUCTION APPROPRIATIONS FOR 1987

WEDNESDAY, FEBRUARY 19, 1986.

FISCAL YEAR 1987 MILITARY CONSTRUCTION OVERVIEW

WITNESSES

JAMES P. WADE, JR., ASSISTANT SECRETARY OF DEFENSE FOR ACQUISITION AND LOGISTICS

STATEMENT OF THE CHAIRMAN

Mr. **HEFNER**. The committee will come to order. Today the Military Construction Subcommittee begins its review of the $10.1 billion military construction and family housing budget for Fiscal Year 1987. The hearing this morning will be comprised of two separate parts. The first part will be an overview of the military construction and family housing budget for Fiscal Year 1987. For that portion, we have with us Dr. James P. Wade, Jr., Assistant Secretary of Defense for Acquisition and Logistics.

For the second part, we will have a different set of witnesses to review the effects of the Gramm-Rudman-Hollings bill on the military construction and family housing programs. If you have any questions relating to Gramm-Rudman-Hollings effects, please hold them until the second part of this morning's hearings.

Dr. Wade, we understand and know that this is your first appearance before this committee, and we would like to welcome you. This is at times a very friendly committee. It may not be that way all the year, but we try to be a fair committee and do the best job with the limited funds that we have. So we would like to welcome you to the committee this morning.

Unless there is someone else who has a statement to make before we start, you can summarize your statement and proceed. Your entire statement will be part of the record, and you can proceed in any way that you see fit.

Dr. **WADE**. Thank you, Mr. Chairman.

Mr. **HEFNER**. Are there any statements that anybody would like to make at this time?

[No response.]

Mr. **HEFNER**. Okay, you can proceed.

STATEMENT OF THE HONORABLE JAMES P. WADE, JR., ASSISTANT SECRETARY OF DEFENSE (ACQUISITION AND LOGISTICS)

Dr. **WADE**. I am delighted to be with you this morning to present and discuss with this committee the Department of Defense fiscal year 1987 request for military construction. As you indicated, this is my first appearance before this committee. As Secretary Weinberger's representative charged with defense acquisition, military construction is an important part of my business.

Our overreaching goal for facilities is to ensure that we have the excellent installations we need to accomplish defense missions in peacetime and war. With your support, we have made a significant impact toward that end in recent years, and we have laid a foundation for the most effective military we have ever had in peacetime. I look forward to working with you, Mr. Chairman, and your committee to continue to ensure that we are providing quality facilities for our defense, and certainly most efficiently.

The military construction program for fiscal year 1987 is $10.2 billion. It comprises $7 billion for actual construction work, $2.7 billion for operation and maintenance of family housing, and $500 million for planning and design. Of our construction, 73 percent is inside the United States, 20 percent is in Europe, and 7 percent is for other overseas locations. The split between inside and outside of the United States is similar to our fiscal year 1986 request.

About $1.7 billion in our fiscal year 1987 military construction request is to support new forces and weapons such as $178 million for our new Trident base at Kings Bay, about $70 million in operational and community facilities for the ground-launched cruise missile sites, $359 million for the Army's light infantry division at Forts Drum and Wainwright, and $10 million for the strategic defense initiative requirements in California, Hawaii, New Mexico, and Kwajalein.

Now let me provide some comments on our construction investment. Certainly, facilities are important force multipliers. For example, our capability in peacetime and for potential hostilities is significantly multiplied by having forward bases from which to deploy and to provide logistic support for our military forces.

Providing quality facilities adds to that multiplying effect. In fact, investments in our facilities commonly lead to significant increases in the output of our people who work and live in them.

Therefore, we continue to request funding to replace and/or renovate our facilities such as our old dilapidated Army tactical equipment shops, so that our people who maintain our tanks and other tactical equipment can do their work more effectively and keep more combat equipment available for longer periods of time.

I think that physical fitness centers, libraries, commissaries, child development centers, and other community facilities deserve some special focus. We are requesting facilities for new and expanded missions overseas. Our rules in the Department of Defense say that at these locations all community facilities are eligible for appropriated funds. However, because at times we could not get funds authorized or appropriated by the House Military Construction Subcommittees, we have tried funding community facilities through the use of nonappropriated funds. We have been criticized by the House Armed Services Readiness Subcommittee which maintains that we should use appropriated funds.

We agree with the Readiness Subcommittee. Indeed, our airmen ought not to have to pay cost of deploying ground-launched cruise missiles to Belgium. Nor should our soldiers have to pay for increasing the force at Vilseck, Germany.

Community facilities have a tremendous effect on our people's morale and performance, as our senior enlisted people have testified before your committee.

Now I have a success story that I want to share with you in case you have not already read about it. During General Bill Creech's tenure as Commander of the Air Force's Tactical Air Command from 1978 to 1984, TAC spent $1 billion on facilities as part of an overall program to improve upon TAC's readiness posture.

This paid off as TAC's airmen increased aircraft availability and safety, giving TAC the equivalent of an additional 513 fighters worth nearly $7 billion. At the same time, TAC improved its aircrew proficiency by flying 80 percent more training sorties, and its ability to fly fighter missions in the first days of war, in effect, doubled.

TAC invested heavily in facilities to enhance pride and professionalism among its force and its people. This led to significant productivity gains. This same approach has also been used by America's most successful corporations. For example, IBM, 3M, Dana, Marriott, and others. This success has caught on in defense.

What has been recognized and put to practical use in the widely acclaimed turnaround of the Tactical Air Command is now being applied in such major commands as the Strategic Air Command and the Army's Training and Doctrine Command. Of course, this attention to facilities is really aimed at the people who make it all happen. Facilities foster pride, foster professionalism, and indeed productivity.

How much should we be investing in our facilities? Our judgment is that we need to have at least an annual military construction investment of at least two percent of our plant value. At that rate, our facilities would be replaced every fifty years on the average. We indeed fell short last year, and indeed this year's severe budget pressures have limited our request to a total on the order of 1.8 percent.

Looking at our installations today, it is indeed evident that we have not yet achieved the modernization of our facilities that defense requires. We must not turn back the clock to the woefully inadequate funding levels of the 1970s when we consumed our capital. We replaced only one percent of our structures per year, and that was not nearly enough. It is no coincidence that recruiting and retention as well as readiness, fell to historic lows during that time period.

With your support, we have made excellent progress in recent years. What is needed, and is being provided I would add, is continued congressional support for military construction investments.

Inadequate funding would result in false economies. For example, maintenance would suffer, training would deterioriate, crew proficiency would be undermined, and the reduced quality of life for service personnel would hurt morale and increase turnover. That would mean higher training costs for less experienced forces and indeed overall reduced readiness.

Now insofar as our fighting power for the dollar that we invest is concerned, we indeed continue to look for ways to get more construction out of each dollar. To achieve that end, we are proposing the following legislative changes.

First of all, we'd like to increase our minor construction authority to $2 million. This involves only about ten percent of the total construction dollars in the military construction appropriations but over half of the individual projects. Under the current system, the length of time from concept to occupancy of a facility runs from five to seven years. We can reduce that to two to three years for the smaller projects.

This will speed up facilities acquisition, reduce time consuming reviews, and give us a better return on our investment by avoiding inflation involved with delaying construction. Your oversight responsibilities would indeed continue to be satisfied by the notification required for these projects.

Secondly, to give our operational commanders greater flexibility to take care of these facilities, we are requesting a modification to the definition of minor construction. We want the commanders to be able to use their funds for those projects that include a mix of repair and construction.

The present system amounts to an administrative nightmare that more often than not results in denying our people the improved facilities they deserve. For example, in renovating an old tactical equipment shop, we may need to install new equipment bay doors and reconfigure the overhead inside in order, for example, to accommodate the height of a M-1 tank turret.

We wish to allow a commander to go ahead with such work without being hamstrung as to whether or not to call the doors and changed rafters construction or repair, and to account for them separately. We will limit the use of this authority to projects of $1 million or less.

For Fort Drum, we are requesting authorization for the full scope of military construction required, with appropriations spread out over three years. That would allow us to package a large portion of the construction under a single major contract and indeed award it up front.

This package approach rather than the normal stretch-out approach, which involves requesting funding of individual projects over a number of years, could save us approximately $100 million for the total effort.

Working together on proposals such as those just mentioned, we can keep facilities support of national defense strong, and get more for the $7 billion in construction funding that we are requesting.

In addition to MILCON, facility support for defense comes from over $500 million of nonappropriated funds generated by service people themselves. Our Japanese and Korean hosts carry a good share of the burden for the facility costs of our forces in their countries. Over the past seven years, these countries have funded almost $2 billion in construction for our forces stationed there.

In addition to construction, both countries provide land, utility cost reductions, and other items that overall are valued in excess of $1 billion per year. A recent agreement with our NATO allies doubles the annual infrastructure funding. We will continue to press for support from our allies and use other sources of funds for facilities, but we still need substantial support through the military construction work.

Now there is one other thing that we need that I would like to discuss with you this morning. In my judgment, we must move quality to the top of our agenda for the future. Historically, quality has been the hallmark of American service and products. But in recent years, this image has indeed been tarnished.

Management in the United States has traditionally relied on the concept of acceptable level of quality. This has tended to be the minimal amount of quality to remain competitive, or in DOD terms of reference, to satisfy minimal contractual requirements.

This concept of minimal quality must be replaced with a philosophy of continuous quality improvement. In DOD acquisition, competition is too frequently based on price, and an award to the low bidder mentality is too pervasive. As long as this persists, there is no reason for contractors to make quality improvement a way of life. We must find new ways to consider quality history in the source selection process and to reward high quality performance.

We must move away from defining our requirements in minimally acceptable terms, to a system that recognizes two objectives, quality and indeed price. Stated simply, we should adopt a policy of competition for excellence along with competition for price.

Mr. Chairman, in summary, we must view this budget request in the context of our desire for a strong defense. Remembering the hard-learned lessons of the 1970s when military readiness suffered severely due to insufficient funding, we must recognize that for facilities we must pay as we go.

We borrow on the future if we do not take care of our facility investment today. We must put quality at the top of our agenda and foster the development of talent as we involve America's best architects and engineers to obtain quality facilities.

Military construction will always be a wise investment with a good payback. Indeed, it remains a high priority for defense, because it is an investment in our most valuable asset, and that is our people. We appreciate your leadership and your assistance in providing a balanced program of facilities support so crucial to our defense program as a whole. Thank you for your continued support of the military construction program.

Mr. Chairman, this is the end of my prepared statement. I will now respond to your questions.

Mr. HEFNER. Thank you, Mr. Wade.

[Statement of Mr. Wade follows:]

HOLD UNTIL RELEASED
BY THE COMMITTEE

STATEMENT OF

JAMES P. WADE, JR.

ASSISTANT SECRETARY OF DEFENSE

(ACQUISITION AND LOGISTICS)

BEFORE THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

HOUSE APPROPRIATIONS COMMITTEE

WEDNESDAY, FEBRUARY 19, 1986

Mr. Chairman and Members of the Committee:

INTRODUCTION

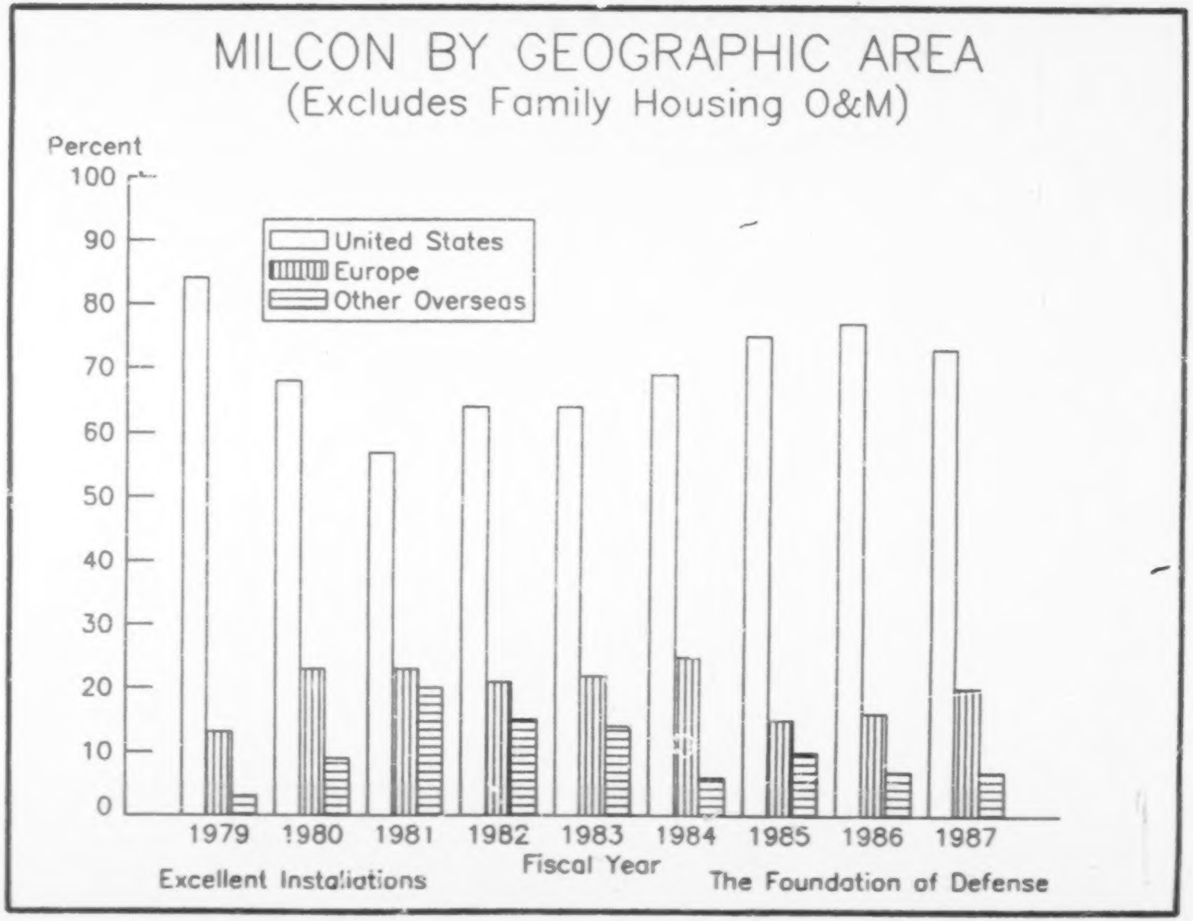
This is my first appearance before this Committee. As Secretary Weinberger's representative charged with all Defense acquisition, Military Construction is an important part of my business.

Our overarching goal for facilities is to ensure that we have the excellent installations we need to accomplish Defense missions in peacetime and war. With your support we have made a significant impact toward that end in recent years, and we have laid a foundation for the most effective military we have ever had in peacetime. I look forward to working with you to continue to ensure that we are providing quality facilities for our Defense.

PROGRAM CONTENT AND COMPARISON WITH PREVIOUS YEARS

The Military Construction Program for Fiscal Year 1987 is $10.2 billion. It comprises $7 billion for actual construction work, $2.7 billion for operation and maintenance of family housing, and $500 million for planning and design. Of our construction, 73 percent is inside the United States, 20 percent is in Europe, and 7 percent is for other overseas locations. The split between inside and outside of the United States is similar to the Fiscal Year 1986 request as shown in Chart 1. A comparison with previous years Military Construction appropriations is shown in Chart 2.

About $1.7 billion in our FY 1987 Military Construction request is to support new forces and weapons, such as: $178 million for our new Trident base at Kings Bay; about $70 million in operational and community facilities for the Ground-Launched-Cruise-Missile sites; $359 million for the Army's Light Infantry Division at Forts Drum and Wainwright; and, $10 million for the Strategic Defense Initiative requirements in California, Hawaii, New Mexico and Kwajalein.



MILCON BY GEOGRAPHIC AREA
(Excludes Family Housing O&M)

Excellent Installations

The Foundation of Defense

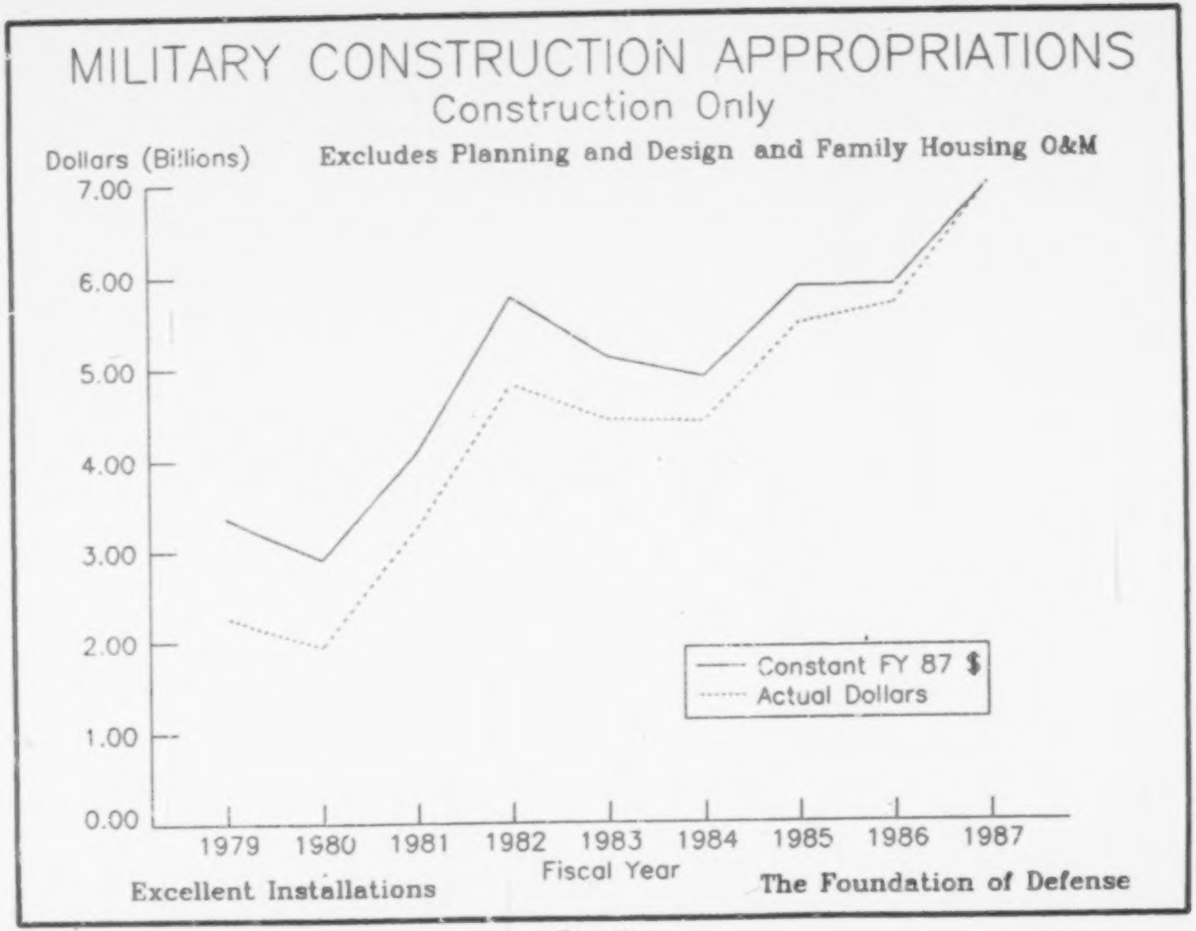

MILITARY CONSTRUCTION APPROPRIATIONS
Construction Only
Dollars (Billions)
Excludes Planning and Design and Family Housing O&M
7.00
6.00
5.00
4.00
3.00
2.00
1.00
0.00
1979
1980
1981
1982
1983
1984
1985
1986
1987
Fiscal Year
Constant FY 87 $
Actual Dollars
Excellent Installations
The Foundation of Defense

Chart 2

THE CONSTRUCTION INVESTMENT

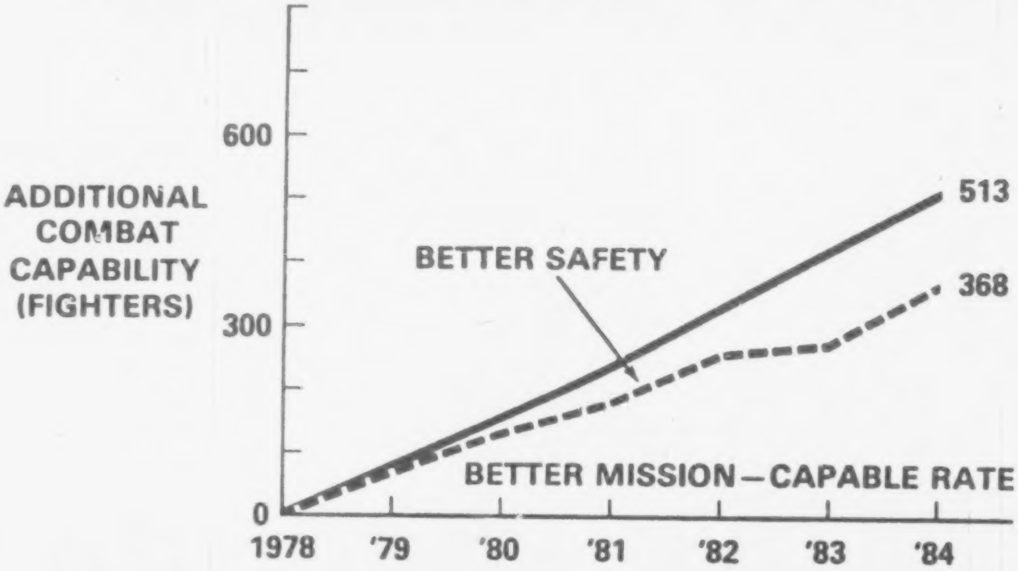
Facilities are important force multipliers. For example, our capability in peacetime and for potential hostilities is significantly multiplied by having forward bases from which to deploy and to provide logistic support for our combat forces. Providing quality facilities adds to that multiplying effect. In fact, investments in our facilities commonly lead to dramatic increases in the output of our people who work and live in them. Therefore, we continue to request funding to replace and/or renovate facilities such as old, dilapidated Army tactical equipment shops, so that our people who maintain tanks, and other tactical equipment, can do their work more effectively and keep more combat equipment available for longer periods of time.

I think physical fitness training centers, libraries, commissaries, child development centers, and other community facilities deserve some special focus. We are requesting facilities for new and expanded missions overseas. Our rules in the Department of Defense say that at these locations all community facilities are eligible for appropriated funds. However, because at times we could not get funds authorized or appropriated by the House Military Construction Subcommittees, we have tried funding community facilities through the use of nonappropriated funds. We have been severely criticized by the House Armed Services Readiness Subcommittee which maintains we should use appropriated funds. We agree with the Readiness Subcommittee -- our airmen ought not to pay to move ground-launched-cruise-missiles to Belgium, nor should our soldiers pay for increasing the force at Vilseck, Germany. Community facilities have a tremendous effect on our people's morale and performance, as our senior enlisted people have testified before your Committee. Our defense will suffer if we do not carry through on our responsibility to take care of our people, recognize the positive effect of community facilities, and act accordingly.

I have a success story that I want to share with you, in case you have not already read about it. During General Bill Creech's tenure as commander of the Air Force's Tactical Air Command (TAC) from 1978 - 1984, TAC spent $1 billion on facilities, as part of an overall program to improve TAC's readiness. This paid off as TAC's airmen increased aircraft availability and safety, giving TAC the equivalent of an additional 513 fighters worth nearly $7 billion. See Chart 3. At the same time, TAC improved its aircrew proficiency by flying 80 percent more training sorties, and its ability to fly fighter missions in the first days of a war doubled.

TAC invested heavily in facilities to enhance pride and professionalism among its people. This lead to dramatic productivity gains. This same approach has also been used by America's most successful corporations -- IBM, 3M, McDonald's, Dana, Marriott, and others. This success has caught on in Defense. What has been recognized and put to practical use in the widely acclaimed turnaround of the Tactical Air Command, is now being applied in such major commands as the Strategic Air Command, and the Army's Training and Doctrine Command. Of course, this attention to facilities is really aimed at the people who make it all happen. Facilities foster pride, professionalism, and productivity. How much should we be investing in facilities? Our judgment is that we need to have an annual Military Construction investment of at least two percent of our plant value. At that rate our facilities would be replaced every 50 years, on the average. We fell short last year, and indeed this years severe budget pressures have limited our request to 1.8 percent. Looking at our installations today, it is evident that we have not achieved the modernization of our facilities that Defense needs. We must not turn back the clock to the woefully inadequate funding levels of the 1970's when we

TAC'S PAYOFF FROM EXCELLENT INSTALLATIONS



THE 513 FIGHTERS ARE WORTH $6.9 BILLION

EXCELLENT INSTALLATIONS — THE FOUNDATION OF DEFENSE

975-6

Chart 3

consumed our capital. We replaced only 1 percent of our structures per year, and that was not nearly enough. It is no coincidence that recruiting and retention, as well as readiness, fell to historic lows in that time period.

With your support we have made good progress in recent years. What we need is continued Congressional support for Military Construction investments. Inadequate funding would result in false economies:

- o Maintenance would suffer, training would deteriorate, and crew proficiency would be undermined; and
- o The reduced quality of life for service personnel would hurt morale and increase turnover. That would mean higher training costs for less experienced forces, and reduced readiness.

SURVIVABILITY

The FY 1987 construction request will increase the survivability of ships, facilities, personnel, and materiel, in the case of enemy attack, natural disaster, or accident. Here are some examples: (Chart 4 provides more examples.)

- o The strategic homeporting concept has the major purpose of minimizing concentrations of ships, and their vulnerability, by opening new dispersed ports as the Navy grows to 600 ships.
- o By relocating 4,200 military personnel from earthquake prone, non-secure buildings in Naples, Italy, their survivability and protection of the vital command, control, and intelligence equipment they operate in support of the Sixth Fleet will be enhanced. Medical and operational facilities will be protected further by hardening against blast, small arms, splinter fragments, chemical, bacteriological and radiological warfare. Protection from terrorist attack in this volatile area of the Mediterranean will also be enhanced.

SURVIVABILITY

- o Facilities that cannot survive an attack cannot contribute to a war effort.
- o We continue to emphasize survivability, especially in forward locations.
- o Survivability is one of the primary considerations for many of our construction projects.

TYPES OF PROJECTS FOR WHICH SURVIVABILITY IS ONE OF THE PRIMARY CONCERNS
(FY 1987 MILITARY CONSTRUCTION PROGRAM)

- oo Chemical Warfare protection
- oo Hardening of primary military communications facilities (referred to as the Digital European Backbone) in Europe
- oo Rapid Runway Repair/Alternate Runway projects
- oo Command and Control Facilities
- oo Strategic Homeporting
- oo Tactical Equipment Shop
- oo Fuel Storage Facility
- oo Ammunition Pier
- oo Protected Combat Targeting Center
- oo Passive Defense Storage Facility
- oo Solid State Uninterruptible Power Supply
- oo Hospital

Chart 4

Our communications facilities are built with backup electric power systems that, in case of a power failure to the facility, will come on line instantly to provide electricity to vital communications equipment. Many of our buildings are designed to protect people from the effects of nearby explosions. We integrate survivability features into many of our facilities.

MORE FIGHTING POWER FOR THE DOLLAR

We continually look for ways to get more construction out of each dollar. To achieve that end, we are proposing the following legislative changes.

1. Increase Minor Construction Authority to $2 million. This involves only about 10 percent of the total construction dollars in the Military Construction appropriations but over half of the individual projects. Under the current system, the length of time from concept to occupancy of a facility runs from 5 to 7 years. We can reduce that to 2 or 3 years for the smaller projects. This will speed up facilities acquisition, reduce time consuming reviews, and give us a better return on investment by avoiding inflation involved with delaying construction. Your oversight responsibilities would continue to be satisfied by the notification required for these projects.
2. To give our operational commanders greater flexibility to take care of their facilities, we are requesting a modification to the definition of minor construction. We want the commanders to be able to use their funds for those projects that include a mix of repair and construction. The present system amounts to an administrative nightmare that, more often than not, results in denying our people the improved facilities they deserve. For example, in renovating an old tactical equipment shop we may need to install new equipment bay doors, and reconfigure the

overhead inside, in order to accommodate the height of an M-1 tank turret. We want to allow a commander to go ahead with such work without being hamstrung as to whether or not to call the doors and changed rafters construction or repair, and to account for them separately. We will limit the use of this authority to projects of $1 million or less.

3. For Fort Drum we are asking authorization for the full scope of Military Construction required, with appropriations spread over three years. That would allow us to package a large portion of the construction under a single major contract and award it upfront. This package approach, rather than the normal stretch-out approach which involves requesting funding of individual projects over a number of years, could save us approximately $100 million for the total effort.

Working together on proposals such as those just mentioned, we can keep facilities support of National Defense strong, and get more for the $7 billion in construction funding that we are requesting.

DEFENSE MEDICAL FACILITIES

Our request includes $340 million for medical facilities worldwide, of which $88 million was previously authorized for appropriation for the Composite Medical Facility Complex at Travis Air Force Base, California.

FY 1986 will be a period of transition during which the Assistant Secretary of Defense for Health Affairs will begin the process of establishing the procedures that will integrate the Services' health facilities construction projects into a consolidated DoD program. This new office will be fully operational on October 1, 1986. While the FY 1987 program was developed by the Services, its scope, quality, and compliance with the recommendations of the Blue Ribbon Panel on Sizing of DoD Medical Treatment Facilities were closely controlled by the Assistant Secretary of Defense for Health Affairs.

OTHER FUNDING SOURCES

In addition to MILCON, facility support for Defense comes from over $500 million of nonappropriated funds generated by Service people themselves. Our Japanese and Korean hosts carry a good share of the burden for the facility costs of our forces in their countries. Over the past seven years these countries have funded almost $2 billion in construction for our forces stationed there. In addition to construction, both countries provide land, utility cost reductions, and other items, that overall are valued in excess of $1 billion per year. A recent agreement with our NATO allies doubles the annual infrastructure funding. We will continue to press for support from our allies and use other sources of funds for facilities, but we still need substantial support through the Military Construction program.

OVERSEAS CONSTRUCTION

For FY 1987, overseas construction requirements total $1.9 billion with $1.4 billion planned for European countries. Chart 5 displays these overseas requirements by region. Continuing our emphasis on people overseas, we are requesting authority to lease 2,500 additional family housing units and construct over 1,500 family housing units. See chart 6.

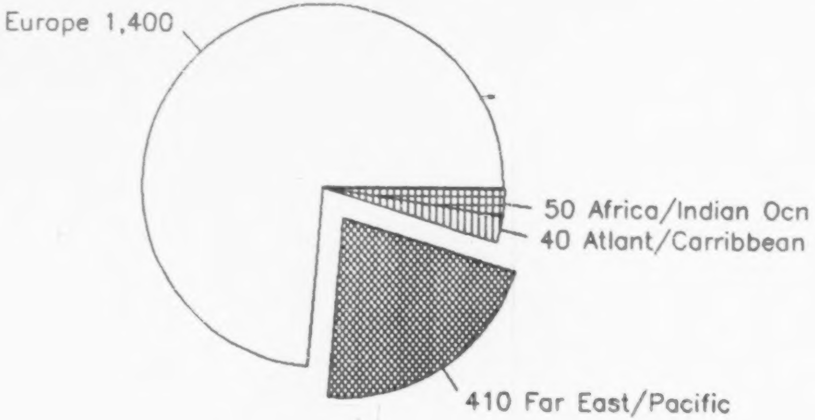
Europe/NATO

Included in the European total for military construction is $247 million for the U.S. share of the NATO Infrastructure program. This commonly-funded program provides many of the wartime-required operational facilities in Europe. The funding provided by the NATO allies for the 1985-1990 period is compared with previous funding in Chart 7. Current planning includes the construction of basic operating facilities for all U.S. tactical air reinforcements, over 600 hardened aircraft shelters, and the continuation of

FY 1987 FUNDING (Millions of Dollars)

Overseas Military Construction

Specified Military Construction Overseas $1.9 Billion



Excellent Installations – The Foundation of Defense

Chart 5

OVERSEAS FAMILY HOUSING

Leasing
- o Currently have 32,000 lease units authorized
- o Requesting 2,500 additional
  - oo All for the Army ... Will allow a coordinated plan of leasing, construction and economy housing to be implemented to properly house our Army people in Europe
- o Used when it is the most cost effective way, or where our tenure is short

Construction
- o All new construction is now with U.S. manufactured housing
  - oo Contracts to date are below the government estimate
  - oo We want to make this method work
  - oo Our FY 1987 reuest is for 1,537 units at $171 million
  - oo Germany 1,060, Italy 90, Kwajalein 136, Iceland 250, Korea 1
  - oo The units in Europe are estimated at $86,000 per unit while those at Kwajalein and Iceland are higher because of location

Excellent Installations – The Foundation Of Defense

Chart 6

NATO INFRASTRUCTURE

YEARS	TOTAL PROGRAM	AVERAGE ANNUAL PROGRAM
1980-1984	1.2 billion IAU	248 million IAU
1985-1990	3.0 billion IAU	500 MILLION IAU

The average annual NATO Infrastructure Program in IAU's has increased 100 percent from the 1980-1984 period to the 1985-1990 period.

Chart 7

storage for our prepositioned stocks. However, in spite of the substantial increase in funding by other NATO nations, it still will not satisfy all priority U.S. requirements that are eligible for NATO funding. While the allies have agreed to new NATO eligibility for some high priority U.S. facilities requirements, the main emphasis through 1990 will be on the programming of current NATO-eligible operational requirements rather than on attempting to further expand the program. U.S. funding still will be required to construct administrative, personnel support, and other, essentially peacetime, requirements.

One of our highest priority goals in Europe continues to be the improvement of working and living conditions. For Europe, the FY 1987 budget provides $147 million for 1,400 units of family housing and over $160 million for barracks and dining halls. Community support requirements total $68 million and include child care centers, religious and education facilities, physical training areas, and youth centers. Included in that total are a commissary and exchange at Florennes where new operational missions have been established. Also, we are proposing commissary and exchange construction in Vilseck, Germany where an infantry brigade and support battalion are being added to the force at that installation. We feel very strongly that the use of appropriated funds are warranted for such projects in these instances. Needed medical and dental facilities will require some $55 million while construction and improvements for the dependent schools systems is budgeted at $92 million. The Army's budget proposes over $100 million for essential facilities modernization at various European bases, where many of the facilities existed before World War II and are unquestionably inadequate to meet the needs of today's weapon systems, such as the M-1 tank and the Bradley Fighting Vehicle.

Ground-Launched-Cruise-Missile Facilities

Construction in support of the GLCM program is progressing well, and is beginning to wind down as more units become operational. The FY 1987 Military Construction request contains $34 million for the second increment of funding for the Netherlands basing that was started with last year's program. We fully expect to be proceeding with the basing in the Netherlands in the spring and will be moving at full speed to make up lost time. There are additional projects valued at over $30 million in support of the five other GLCM bases in Belgium, Germany, Italy, and the United Kingdom.

Pershing II Security

The FY 1987 request includes $45 million for site upgrades at various locations in Germany. Consistent with Congressional desire, the United States will continue to work with NATO to obtain maximum recoupment of funds for this work.

Pacific/Far East

In the Pacific and Far East, our request totals about $410 million and, combined with the significant host nation support we receive, will continue our efforts to modernize our physical plant throughout the area. Among the bigger items is $130 million for much needed unaccompanied housing, dining halls and physical fitness centers; the majority for Korea. Also, our request contains over $64 million for maintenance facilities needed for the proper upkeep of our tactical equipment, and over $40 million for storage facilities. Your past support for our drive to bring our Pacific bases up to current standards is paying off. This year's program will bring us another step closer to our goal.

Southwest Asia

In general, our construction requirements in Southwest Asia have been satisfied. However, the 1987 budget includes $34 million for enroute facilities in Morocco and the Azores.

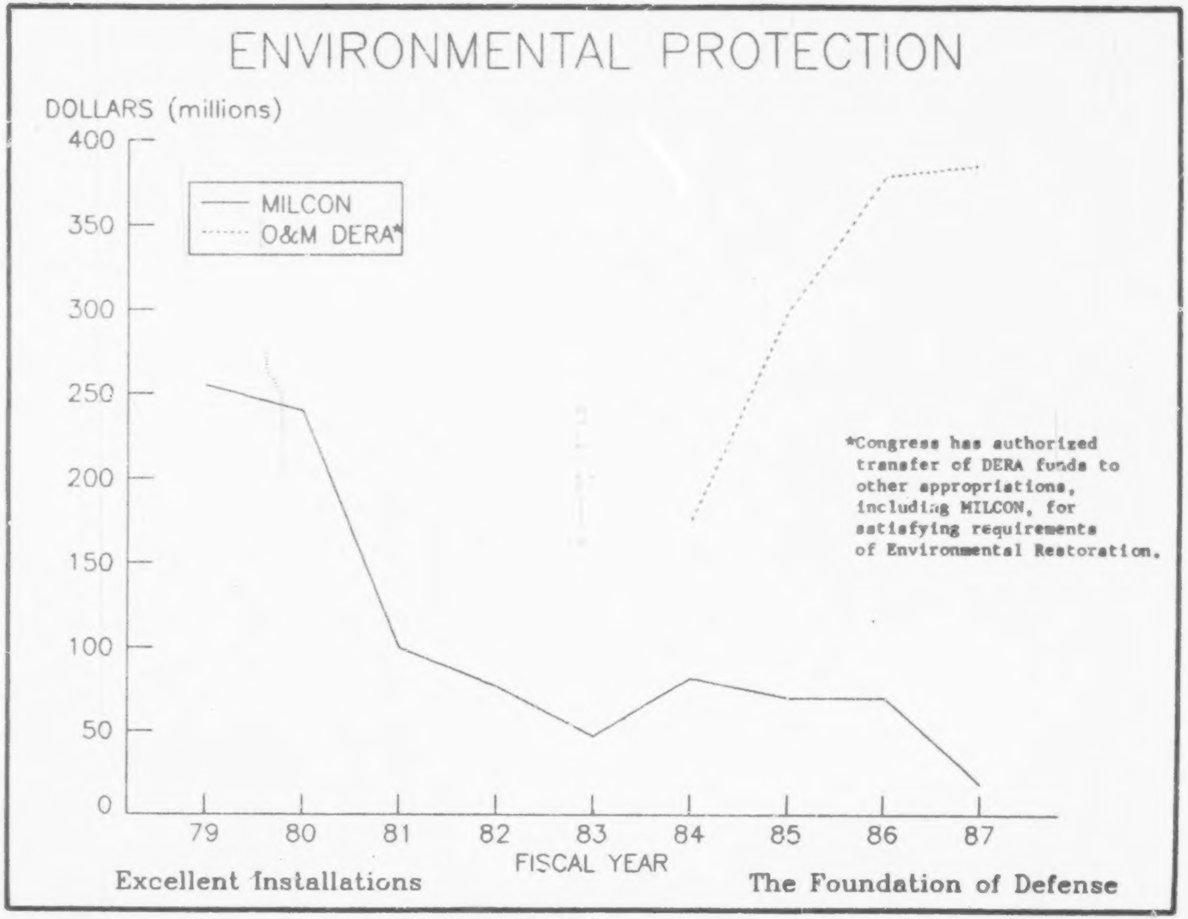
ENVIRONMENTAL PROTECTION

Environmental protection has high priority in the Department. We are committed to eliminating all air and water deficiencies, and to pursuing solutions to hazardous waste problems, both from current generation and past disposal practices. Including conforming storage facilities for hazardous materials/waste, as well as projects for pollution abatement, the FY 1987 MILCON request contains about $53 million for environmental protection.

The Department of Defense has made significant strides in controlling domestic and industrial wastewater, and in correcting air pollution deficiencies. At the end of Fiscal Year 1985, 70 percent of our water pollution sources were in compliance with applicable laws and regulations, and 85 percent of our major air pollution sources were in full compliance. Rather than requiring special funding, pollution controls now are included as part of the design of new facilities that have potential to be sources of pollution.

Our major environmental challenge today is hazardous waste management, with construction of proper storage, treatment, and transfer facilities as high priority. For hazardous waste, the FY 1987 MILCON request includes $21 million for storage facilities. We expect to continue programming to satisfy requirements for hazardous waste for several more years.

Chart 8 illustrates that for environmental protection we are now concentrating on a program funded from operation and maintenance, called the Defense Environmental Restoration Account (DERA). The DERA received



*Congress has authorized transfer of DERA funds to other appropriations, including MILCON, for satisfying requirements of Environmental Restoration.

Excellent Installations

The Foundation of Defense

Chart 8

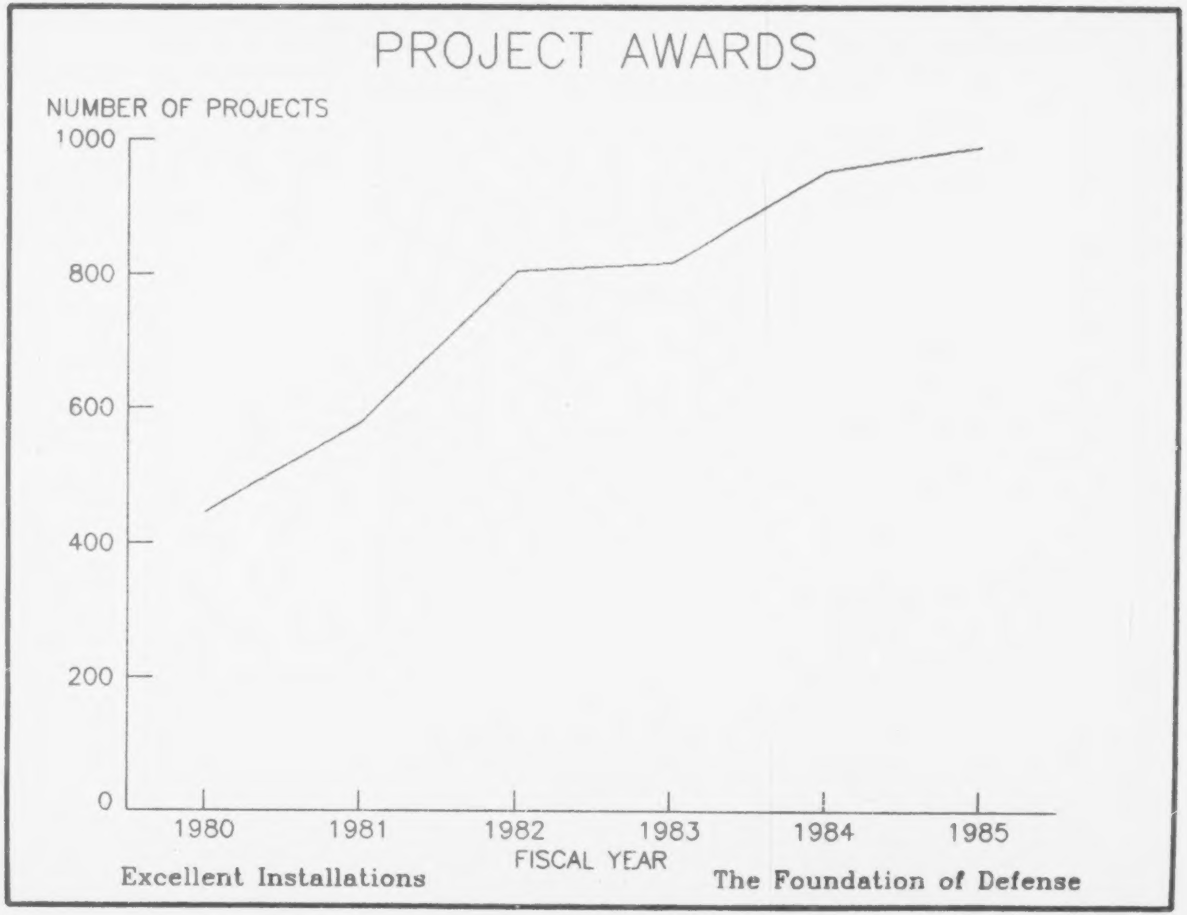
appropriations of $379 million in Fiscal Year 1986 and we are requesting $386 million in Fiscal Year 1987. Although the DERA is funded through operation and maintenance, its funds can be transferred to the Military Construction account if needed. We do anticipate such transfers. The DERA program consists of three parts:

1. "Installation Restoration" — to investigate and cleanup past hazardous waste sites on currently and formerly used DoD property. As of the end of FY 1985 preliminary assessments were completed at about 95 percent of the installations with potential for contamination. These assessments showed about 3000 sites that need further study or remedial action. Over 100 of those sites have already been cleaned up and another 200 are being evaluated to determine the appropriate remedial action.
2. "Building Demolition and Debris Removal" — to remove unsafe, hazardous structures and debris from active and formerly used sites.
3. "Other Hazardous Waste Operations" — where our efforts are directed toward reducing the amount of hazardous waste generated from current operations as well as improving management practices.

GETTING THE FACILITIES BUILT

Need for Congressional Assistance

In FY 1985, contracts were awarded for 989 FY 1985 Military Construction projects - 36 more than in FY 1984. Chart 9 shows the consistently upward trend for contract awards since 1980. However, this continually improving performance is overshadowed by a reduced "rate" of execution: from 86 percent to 79 percent on a project basis and from 86 percent to 81 percent on a dollar basis in one year. Our objective is to ensure that needed facilities are provided for our forces as soon as possible after Congressional approval. In order to improve the rate of execution, Defense and the Congress must act in concert on at least the following two areas.



Excellent Installations **The Foundation of Defense**

Chart

First, you can help us, in part, to overcome construction delays due to redesign by giving favorable reprogramming consideration to our cost variation/reprogramming requests.

Over the last two years we have found ourselves significantly constrained from being able to execute our program as rapidly as we wanted. Cost estimates for projects in the Fiscal Year 1985 Military Construction program anticipated low inflation and a continued high level of competition in the construction industry. There was low inflation, but the competition in the construction industry declined in almost all areas of the world, except Germany. The average number of bidders for our projects fell 30 percent from Fiscal Year 1983 to Fiscal Year 1985, as shown in chart 10, and bid prices increased. The rise in bid prices, coupled with a tighter reprogramming policy on the part of Congressional Appropriations Committees, forced the Services to redesign projects in order to reduce costs. This redesign delayed our Fiscal Year 1985 construction execution.

For FY 1986 we used FY 1984 prices to estimate the military construction program. Thus, with funds reductions made to our FY 1986 request, our cost variation/reprogramming requests may increase for the FY 1986 program. The alternative of redesigning is undesirable, since it would again lead to delaying execution, and may lead to building facilities smaller than we need or to a standard that would increase life cycle costs. When it must be done, we will redesign. However, when it is in the best interest of all of us as taxpayers we will ask to reprogram funds. We need your support and understanding for the reprogrammings resulting form the Fiscal Years 1985 and 1986 Military Construction programs.

CONSTRUCTION MARKET TRENDS

Average Number of bidders per Contract by Service

	FY 1982	FY 1983	FY 1984	FY 1985
ARMY	11.4	10.1	9.1	8.7
NAVY	10.8	10.5	8.6	6.7
AIR FORCE	9.2	10.4	7.9	6.5

- As of FY 1986 the construction market is a "builder's market", near full employment.
- We are experiencing a lower number of bidders per contract which results in
  - less competition
  - higher prices.

Chart 10

Also, you can be of significant help by authorizing and appropriating the total amount of design funds we have requested for FY 1987. When design funds are short, construction execution suffers. As an example, over 95 percent of the FY 1986 program met the 35 percent design target when the budget was submitted to the Congress. However, due to a shortfall in design funds, we had to suspend design of many FY 1986 projects so we would have funds to accomplish 35 percent design of the FY 1987 program. As a result, only 30 percent of the FY 1986 program was ready to advertise by the beginning of FY 1986. While the Military Construction program increased by about one-fourth in size from FY 1984 to FY 1986, the amount of design funds declined. All three Services submitted reprogramming requests for additional design funds in FY 1985.

Packaging Construction Contracts

To build facilities at the least cost we will continue to "package" two or more construction projects together under one contract. The proposal for Fort Drum is an example of one packaging proposal with a very large potential cost savings. However, there are numerous smaller construction projects for which this approach is applicable. We intend to use this approach whenever it makes sense. However, we will remain sensitive to the small construction contractors in the local area who can often give us a good price because their mobilization costs are smaller. If a packaged contract is too big, it could exceed the management and bonding capabilities of the small local contractors.

LEGISLATIVE PROPOSALS

A summary of our legislative proposals are provided in Chart 11. Your approval of these proposals will provide our people with facilities faster, help the environment, and streamline facilities management.

FY 1987 LEGISLATIVE PROPOSALS

Increase in Minor Construction Limit

- Increase the maximum amount to be spent on a Minor Military Construction project from $1 million to $2 million.

Increase the Number of Foreign Family Housing Leases

- Increase the number of foreign leases authorized by 2500 units. This will be used by the Army to negotiate new build-to-lease agreements in Europe. The leases will be used only where severe shortages of housing exist and only where leasing is the most economical alternative.

Construction of Postal Facilities

This section will allow the Postal Service to provide facilities on base to serve members of the Army and Air Force. Current law requires the Army and Air Force to provide for postal facilities. Congress has historically denied military construction funds for such projects because these facilities are the responsibility of the Postal Service. This change will remove this inconsistency between existing legislation and Congressional intent.

Establish "Renovation" as a New Category of Work

This provision will allow funding of the combined maintenance, repair, and minor construction work required to renovate facilities. Currently, all three efforts have separate approval and funding rules which delay execution of concurrent work and create additional accounting effort. The new provision limits the total amount for such an undertaking to the legal limitation for a minor construction project.

Overseas High Cost Family Housing Leases

This section increases the number of high cost family housing leases by 20 and reflects the the devaluation of the dollar against foreign currencies.

Hazardous Waste Storage Facilities

This section will lessen the amount of time needed to acquire Hazardous Waste Storage Facilities by providing a "class" authorization and by allowing construction to begin when application for a storage permit is made. Current procedures require line item approval by the Congress in the budget process and construction cannot begin until a storage permit has been issued.

Increase Contract Thresholds

This section will increase the threshold for contracts which must be advertised in the Commerce Business Daily (currently $10,000) to $25,000. This threshold increase will reduce administrative effort by the government and contractors.

Military Family Housing

This section will eliminate the "sunset" provision of the domestic leasing program and rental guarantee program. This will provide permanent authority for the services to acquire housing under these programs.

Chart 11

NEW APPROACH TO QUALITY

There is one other thing that we need that I'd like to discuss with you today. In my judgment we must move quality to the top of our agenda for the future. Historically, quality has been the hallmark of American service and products. In recent years this image has been tarnished. Management in the United States has traditionally relied on the concept of "acceptable level of quality." This has tended to be the minimal amount of quality to remain competitive, or in DoD terms of reference, to satisfy minimal contractual requirements.

This concept of minimal quality must be replaced with a philosophy of continuous quality improvement. In DoD acquisition, competition is too frequently based on price, and an "award to the low bidder" mentality is too pervasive. As long as this persists, there is no reason for contractors to make quality improvement a way of life. However, we must find new ways to consider quality history in the source selection process and to reward high quality performance. We must move away from defining our requirements in minimally acceptable terms, to a system that recognizes two objectives: quality and price. Stated simply, we should adopt a policy of "competition for excellence" along with "competition for price."

For Military Construction I want to involve America's best architects and engineers in providing quality planning, design, and construction. Their task is to satisfy mission requirements, improve our people's performance and productivity, and incorporate innovative engineering to keep our construction costs down. By encouraging these architects and engineers to keep improving the quality of their product, we will foster the development of talent.

In order to provide the excellent installations we need for Defense, I believe it is crucial that we greatly increase our emphasis on quality. We will work closely with you on this. We need a long-term comprehensive and coordinated commitment to quality by both government and the corporate world, and this requires a team effort.

SUMMARY

In summary, we must view this budget request in the context of our desire for a strong Defense, remembering the hard-learned lessons of the 1970's when military readiness suffered severely due to insufficient funding. We must recognize that for facilities we must pay as we go. We borrow on the future if we do not take care of our facility investment today. We must put quality at the top of our agenda and foster the development of talent as we involve America's best architects and engineers to obtain quality facilities.

Military construction will always be a wise investment with a good payback. It remains a high priority for Defense, because it is an investment in our most valuable asset - our people. We appreciate your assistance in providing a balanced program of facilities support so crucial to Defense.

Thank you for your continued support of the Military Construction program.

FUNDING LEVEL

Mr. **Hefner**. Last year, there was a request for $10.3 billion for military construction and for one reason or another we wound up with $8.5 billion.

Now, you are recommending $10.1 billion, which is about 19 percent over last year's level. You are recommending a more significant increase at a time when the budget pressures to reduce the deficit are more severe than they have ever been.

I happen to also serve on the Budget Committee. How do you justify such an increase as this, knowing the restrictions that we have?

Why can't the programs be stretched out?

Mr. **Wade**. Yes, sir, Mr. Chairman.

Actually, the number of 19 percent, I think, would correlate to a 15 percent increase in real dollars. I would like to point out here, that we have a plan, which I believe has been generally approved—it was cleared by this committee—to turn over our plant once every 50 years on average. That means a 2 percent increase per year based on current plant value.

If a major corporation had a plan of this kind, they would not be in business very long; but, understanding the budget restraints, I think this is a sound basis upon which to proceed.

If we stretch out that 2 percent per year, we are going to be inefficient over the long term, and we will have to pay back these dollars sometime in the future.

So, overall, a 2 percent plant revitalization process makes good sense; and, this is what this program request is all about.

In addition to that, we have some new programs that need to be supported, associated with, for example, training programs, the GLCM facilities in Europe, and the ALCM programs. Maintaining a base support structure for these programs is absolutely mandatory, otherwise, we are going to become quite inefficient in the sense of meeting the needs of these new programs as they go into the field.

I am sensitive to your comment that this request is rather large in scale; but, if we look at the overall size of the Department of Defense, I think money spent on our facilities is money well spent, and money well spent for the longer period.

Mr. **Hefner**. Since 1980, we've grown from $3.8 billion to $8.5 billion in 1986, and this represents a 124 percent increase over six years. In real growth terms, it represents about 75 percent real growth; since 1980, about 12 percent real growth per year over six years. This is relatively significant, and I doubt if you could quarrel with this growth, but the President's request will add about another 15 percent of real growth in 1987. For these reasons, I do not see why these programs cannot be stretched out, and I would doubt that the reductions in the President's budget would actually affect the quality of life in the military.

Let me just add this thought. We just came back from Germany, and we met with General Otis and some of the folks there, and it has been this committee, since I have been chairman, and the gentleman who was chairman before I came, who have really been dedicated to quality of life.

Are my numbers correct? Is that what we have done since 1980? That is what we believe that we have done.

Dr. **Wade**. Yes, sir. I must say when I came into this job six months ago, I went through the same process that you are going through, and it impressed me to a similar extent.

But I would prefer, rather than go back and just review where we were in 1980, to go back to see where we were from 1970 to 1985. During the decade of the seventies, we really did live on the investment of the previous twenty years. I think we saw in that generation a decline in the readiness of our forces and the living standards of our people-force, and less willingness on the part of these people to stay and make a military career. Therefore, in part, we are now getting well once again.

Now, as we look to the future, the facility investments, when you look at the total for the Department of Defense, these are rather small numbers. But at the same time facility investments have a very significant impact overall.

So, I am sensitive to your comment. I would also note that if we look to the future, that we ought to be drawing down this increase, since we now have the momentum behind us. But I would feel quite remiss if I didn't say that we ought to finish the job we started.

POTENTIAL BASE CLOSURES

Mr. **Hefner**. Secretary Weinberger recently submitted a letter to Senator Goldwater naming three bases that the Department is ready to close. These installations, according to Secretary Weinberger, will be used to determine the will of Congress on this matter.

Now, I think Senator Goldwater was quoted some time ago saying he would like to get a list of all the members that have bases in their District. You can close all the bases in my District for that matter, because I do not have any; but that is probably the comment that you are going to get from everybody that does not have any, but for the ones that have bases it is like closing a post office, only worse.

You said you were going to use this to determine the will of the Congress on this matter. Now, if the Department is ready to close these bases, then why was this request not done, as part of the normal budget submission. I do not mean to be critical, but is this just a straw man that was thrown up to say that the Department was really not very serious about closing these particular bases?

Dr. **Wade**. Mr. Chairman, first of all, you will appreciate the fact that in today's environment, there are severe demands on our budget. When we need up-front funds to realize savings 10-plus years downstream, it becomes rather difficult to put this high on a priority list.

Secondly, it takes a long time to close bases down. We have seen, over the past year, that the ability of the Congress together with the Department of Defense to come up with the legislative package that would allow us to close bases down on a faster time scale, in order to gain needed economies, has not been all that successful.

So, what the Secretary did in his discussions with Senator Goldwater was to indicate, as a start, three bases provided by the three Services to see how we could move forward in the context of still needed legislation, and needed up-front money to close these bases to demonstrate that there can indeed be real economies.

To provide a longer list with all the up-front moneys, and see that go down the tube in the sense of the time scale to reach completion, I think the first and best thing we can do is to see whether or not we can make this process work.

Now, for example, the Navy suggestion affected the hospital in Philadelphia. This facility is old; it was built in 1935. It is too large for our requirements of today. We can build a new clinic just down the street from this facility for $15 million, and have annual recurring savings on the order of $21.5 million.

So, this makes good sense in the context of this one test case. So, yes, this is a small start. But we would like to see how successful we can be before we proceed to look at other bases.

Mr. HEFNER. What about the Air Force Base in Colorado? What was the function of this base?

Dr. WADE. It provides for an Air Force accounting and finance center, includes some Air Reserve components, and a training mission. The training mission can be closed down and accomplished elsewhere.

This is the largest of the three bases. The one-time cost for relocation would be on the order of $265 million. The annual recurring savings would be like $60 million, so——

Mr. HEFNER. Fifty

Dr. WADE. $60 million—58.2 was the exact number I had.

In order to have it amortized, we are talking here, like, five years.

The third base, which was the Army's Material Technology Laboratory, again is a building that is very old—it was built in 1922 and it is in poor condition. It needs today $18 million just to repair and to get back up to standards.

The missions at that facility can be handled elsewhere; the one-time cost for relocation is on the order of $20 million, and the annual savings would be on the order of $4 million. It would take seven years in order to get our money back.

So, I think these three cases make sense from the standpoint of efficiency. But, again, only if they can be closed down in a reasonable time period, and that will take the effort of both the Department of Defense and the Congress, working together, to see that that is achieved.

[CLERKS NOTE.—Additional questions submitted by Mr. Hefner follow:]

Question. The Secretary also asked for legislation to expedite this process and $300 million to pay up-front costs. Explain the reasons for this request.

Answer. If the savings to be realized from closing military bases are to be maximized, installations must be closed quickly and efficiently. For this to occur various legal and other impediments to closing a base expeditiously must be removed. Last year's change in the base closure law did remove one of two Congressional notification requirements, but we must still comply with all of the environmental regulations (which can be used by opponents to challenge and delay our decisions), and get Congress to authorize and appropriate funds for the design and construction of facilities at the bases receiving the displaced missions. All of that slows us down and creates opportunities for people to delay or block the closure. For that reason we propose that 10 USC be revised further (1) to authorize the closure or realignment of any military installation without regard to any other provision of law that would prevent or delay such action; (2) to authorize the appropriation to the Defense Department of additional funds to carry out closures and realignments; and (3) to exempt the actions of Federal officers and employees in closing or realigning bases from review by Federal courts. The $300 million that was requested would be used to design and construct the new facilities and to relocate people and equipment.

Question. What specifically will this $300 million be used for?

Answer. The $300 million would be used to design and construct facilities at the installations receiving the missions displaced by the closures and to relocate people and equipment.

[CLERK'S NOTE.—End of questions submitted by Mr. Hefner.]

Mr. HEFNER. Question 6 and 7, for the record.

[CLERK'S NOTE.—The following questions were submitted for the record by Mr. Hefner:]

FINANCIAL MANAGEMENT

Question. Last year the Committee initiated several reforms in the financial management of the Military Construction program which limit cross year funding authority, lower reprogramming thresholds, limit end of year obligation rates and restrict the use of expired funds. The purpose of these reforms was to bring more order to the execution of these programs. What is your opinion of the Committee's initiative and do you have any changes to suggest to the current system of financial management?

Answer. I assume you mean the requirement for additional reports and lower thresholds for reprogramming. I don't think either is particularly helpful. The increased reporting requirements cause our engineers and construction managers to spend more and more time on paperwork and less on making sure we get quality construction.

As for reprogramming, it isn't possible for human beings to predict what a low bidder will bid on a project tomorrow, let alone a year or two into the future. The best anyone can hope for is to make estimates that are too high part of the time, too low part of the time, and, overall, about right on the total. That means we'll do a lot or reprogramming. It isn't mismanagement, or cost growth, or anything undesirable.

On the contrary, you should worry if you don't see reprogramming requests. That would mean we were padding estimates (with subsequent loss of cost consciousness) or were reducing quality or size below what we need.

Question. In your statement you have asked for the Committee's "understanding" regarding reprogrammings in the fiscal year 1985 and fiscal year 1986 programs. Can you expand on that?

Answer. Last year, the Committee expressed concern about the number of reprogrammings. This year, the reprogrammings may be more frequent than last year for two reasons. The first is economic. Activity in the construction industry is approaching a peak. The number of bidders per project has decreased significantly and bid prices per project has decreased significantly and bid prices have increased because contractors don't have to bid projects at a loss in order to stay in business. The second is systemic. Our prices are based on experience gained in FY 82-84 when bids were abnormally low. Thus, bids are rising while estimates have been reduced. Additionally, general reductions, Budget Act reductions and lower reprogramming thresholds, all serve to reduce management flexibility. We have two choices, we can redesign—which can lower quality, will consume scarce design funds and will delay execution—or we can reprogram. Since, in many cases, it makes economic and construction sense to reprogram, we anticipate an increase in reprogrammings this year. We ask for the Committee's "understanding" if the reprogrammings increase as we anticipate.

[CLERK'S NOTE.—End of questions submitted by Mr. Hefner.]

USE OF APPROPRIATED FUNDS FOR COMMUNITY FACILITIES

Mr. HEFNER. About $25 million is requested for commissaries, exchange stores, and other facilities in Europe that are normally funded through non-appropriated funds. Would you elaborate on why appropriated funds are being requested for this? Is there not sufficient non-appropriated funds available for this?

Dr. WADE. Well, my understanding, Mr. Chairman, is that in these types of facilities overseas, the use of appropriated funds is proper, and perhaps even preferred.

In most cases, when we move forward with new missions overseas, our request to use appropriated funds is turned down. So, there has been a thrust by the Department to provide these facilities up-front through the use of non-appropriated funds. But, the Readiness Subcommittee basically has chastised us in this regard, and, therefore, we are in some sort of a dilemma between the two subcommittees.

I personally believe that the need is there, and the best thing to do is to work this out with the Congress to fulfill our requirements.

Mr. ALEXANDER. Mr. Chairman, will you yield on that question?

Mr. HEFNER. Sure.

Mr. ALEXANDER. Dr. Wade, I was listening to someone else a minute ago when you discussed your desire to improve community facilities, and I totally agree with your approach, and feel that physical conditioning and—are two of the basic components to not only defense but any productivity.

Did you say that you proposed to request appropriated funds for the purpose of constructing community facilities?

Dr. WADE. No, sir. What I am saying is, it is appropriate for us to make that request.

Mr. ALEXANDER. I see.

Well, I support that idea, and I encourage you to do so.

Now, this is in conflict with the Readiness Subcommittee?

Dr. **WADE**. I believe that the Readiness Subcommittee, in effect, feels that using appropriated funds is the better approach. That is to ask you for these moneys through this committee. Yet at the same time, I think they also appreciate the importance of getting facilities overseas that enhance the morale of the troops.

Mr. **ALEXANDER**. Well, I will not belabor this point, but, basically, I think that the Government, including, of course, the Defense Department, has been intimidated by the press on this subject; and, in providing recreational facilities, which are essential to our proper efficiency and functioning of any organization, it has yielded to criticism, giving more attention to so-called non-community facility construction, in my judgment, depriving the military of a very important component of preparation and training.

Dr. **WADE**. Yes, sir.

Mr. **ALEXANDER**. I would like to work with you on this more extensively at the proper time.

Dr. **WADE**. Thank you, sir.

Mr. **HEFNER**. Well, we do too. We have a little bit different view from some other people, we are looking at protecting our jurisdiction. We know how limited our dollars are; and, if you go appropriate funds for two or three or four hundred million dollars, this money comes out of our committee. We are aware of those differences; but we have always been of the view, most of us, that these projects should be done with nonappropriated funds.

What were the total receipts from the non-appropriated fund activities last year? And how much was spent on construction? Could you provide this for the record?

Dr. **WADE**. Yes, sir.

Mr. **HEFNER**. Of course, if you do not have it now—could you provide it for the record?

Dr. **WADE**. Let me just ask Mr. Stone, who is my Deputy for Installations, whether he knows those numbers, perhaps we can provide it to you right now.

Mr. **HEFNER**. But if not, you can provide them for the record.

[The information follows:]

Non-appropriated fund receipts/revenues are generated by providing goods and services through a variety of activities including military exchanges, recreational activities, clubs and child care centers. The majority of revenues generated are used for operating expenses such as cost of goods sold, labor expense, supplies and equipment.

Receipts realized from all sources in FY 1984 were approximately $8.6 billion. Cost of goods and operating expense absorb approximately 93 percent leaving a net income ranging from 6 to 7 percent.

It should be realized that all Department of Defense morale, welfare and recreation (MWR) activities are non-profit and do not generate non-appropriated fund revenues in excess of internal needs. They exist to provide goods and services at a savings, which is considered in some instances as a form of nonpay compensation. The philosophy regarding the structuring of prices and fees is to provide a savings to the Military Service member, which is also intended to compensate to some degree for the rigors of service life. Earnings from these activities are used to finance the capital replacement programs, including non-appropriated fund construction.

It should also be understood that facilities such as libraries, sports programs and youth activities in the civilian sector are funded through municipal and state tax revenues. The Department's counterparts to these activities have limited revenue producing capability consequently, our policy regarding their construction parallels that of the civilian sector. We do not feel that it is appropriate to construct these facilities with non-appropriated funds. This policy is based on the contention that the government bares the responsibility for providing these basic community activities and facilities for the Service member. It is not considered reasonable to ask our Service members to pay for those fundamental community activities enjoyed by the civilian counterpart.

Mr. HEFNER. Are there sufficient funds in our non-appropriated account to pay for these facilities that have been requested? With appropriated funds? Sufficient moneys?

Mr. STONE. Yes.

Mr. HEFNER. You say there are sufficient funds in non-appropriated funds to do these things?

Dr. WADE. Well, certainly those that have been done with non-appropriated funds. The decision-makers wanted to put priority on those. To my sense, there is here a certain untidiness, which I believe you also are indicating. There will have to be some further work both by the Department and these two subcommittees. But, nonetheless, the bottom line is we both appreciate the need of getting this job done.

Mr. STONE. Mr. Chairman, last year, we spent about $350 million of non-appropriated funds for construction, in 1986. So, it is a big program; it provides all kinds of morale and welfare facilities all over the world, and we try and spend it for the benefit of the troops.

If this Committee does not want to appropriate money for the commissary at Vilseck and the others that we have asked for this year, we will turn to and we will ask the Readiness Committee for permission to spend non-appropriated funds for this budget.

Mr. HEFNER. Well, that is what you have done in the past?

Mr. STONE. We have done that in the past. They have told us that we should be following our existing directive, which says when we open a new base, or when we deploy a new weapon somewhere, like at Comiso, Italy, the funds for that ought not to come out of the Airmen's Fund.

Mr. HEFNER. Is that DoD policy, or by statute?

Mr. STONE. That is DoD policy.

Mr. HEFNER. Okay.

Dr. WADE. But I would like to caveat that, Mr. Chairman. That is, if this committee came in and had a reason why some facility should or should not be built, it is inappropriate for us to go running to another subcommittee. There may be a certain tidiness that I need to worry about here in that regard.

Mr. HEFNER. Well, I think that there is a tidiness that we need to worry about. We need to work very closely with Dan Daniels on this problem.

Dr. WADE. Yes, sir.

Mr. HEFNER. And we are going to do that.

Dr. WADE. That would be very helpful to us.

Mr. HEFNER. Are you aware of the plans to build, or build to lease, two motels and recreation complexes overseas in the future?

Mr. STONE. I am, Mr. Chairman.

Mr. HEFNER. Well, how much are we talking about?

Mr. STONE. The Army can give you the precise numbers, but they want to build a new hotel in Korea that would serve, primarily recreational purposes. That is about $40 million and would be built with non-appropriated funds.

There is also an Armed Forces recreation center in southern Germany, which is old and badly in need of renovation and improvement. It is one of General Otis' important priorities. The Army has not determined exactly what they want to do in that area yet.

They have had a study done by a hotel expert on what ought to be done, but his advice was that they spend more money than they feel comfortable in spending.

Mr. HEFNER. Well, I had breakfast with General Otis the other morning and though we did not get into that, he did compliment us on legislation. We are trying to do more modular housing. The projects there are very good, and he is very enthused about them.

I asked him if he would send us some pictures and some comments, and he said he would be happy to do that.

The next questions are for the record.

[CLERK'S NOTE.—Additional questions submitted by Mr. Hefner follow:]

Question. How much would these cost and how would they be funded?

Answer. The estimated cost for these projects is $120 million and all funded with non-appropriated fund money.

Question. The Air Force has recently requested authority to use $485,000 in minor construction funds for the upgrade of the Officers Club at Bolling AFB. This, to my knowledge, is the first time appropriated construction funds have been requested to fund an officer's club expansion. Can you explain why they have been requested at this time?

Answer. In June 1985, the Bolling Officers' Open Mess was severely damaged by fire. The majority of the repairs will be accomplished using operations and maintenance funds, however, any new work must be done using construction funds. The $485,000 of unspecified minor construction funds will provide for a fire suppression system, additional fire exist stairwells and handicapped access. In accordance with DoD policy, this is an appropriated funds responsibility. No unspecified minor construction funds are being used to expand the club. In fact the club is not being expanded in anyway by the total repair effort.

Question. Do you envision more requests of this type, if this one is approved?

Answer. The use of unspecified minor construction funds for the Bolling AFB Officers' Open Mess project is an isolated instance. It is being done to allow the project to be accomplished concurrent with a major repair project to assure required, adequate fire protection capability for the restored facility.

Question. Is the non-appropriated fund account experiencing a shortage of funds?

Answer. Yes, we have more requirements than the funds available. There is a substantial NAF construction backlog of needed new and replacement facilities. It is estimated that this construction backlog exceeds $5 billion.

[CLERK'S NOTE.—End of questions submitted by Mr. Hefner.]

UNSPECIFIED MINOR CONSTRUCTION

Mr. **Hefner**. The Department is proposing legislation to increase the threshold for unspecified minor construction from one million to two million.

Now, how will this increase the limitation and help the—how is this going to help the program, and would this have the effect of crowding out many smaller projects of less than a million that are just as important?

Dr. **Wade**. Well, most importantly is that any time you can speed up the process of acquisition, you are going to save money, and get the program accomplished more efficiently.

This does not take away the oversight of this committee; because, we have to provide notification that this action is under way, and we have to wait the required thirty days.

The number of projects that are being reviewed in a very detailed manner are high enough that where we can relax and move this process along and still maintain the same efficiency.

Now, if the committee believes that this is going in the opposite direction towards a viable relationship between the Department and this committee, then I would not support it.

Mr. **Hefner**. I have an additional question for the record, but at this time I will yield to Mr. Alexander.

[Clerk's note.—The additional question submitted by Mr. Hefner is as follows:]

Question. Will the change in definition regarding renovation and new construction result in shifts of O&M funds to construction?

Answer. No, there will not be any shifts of funds between O&M and construction in FY 1987. In the case of renovation, the same work is already being accomplished with a combination of O&M and construction funds. The proposed definition would allow us to eliminate inefficiencies associated with separate design, approval, procurement, and accounting.

CARRIBBEAN BASIN

Mr. **Alexander**. Thank you very much, Mr. Chairman.

Thank you, Dr. Wade. I look forward to working with you on the community facilities area, not because I am more interested in that part of the military construction than any other, but it's subject to be more neglected than any other, and feeling a need to attend to those areas which are neglected, I will help you with it.

I have had a long-standing interest in Central America as I have exhibited since I have been in Congress, and I am concerned as a member of this subcommittee with the words of the comptroller general "unwarranted" sometimes is interpreted to be illegal use of operation and maintenance funds for military construction, humanitarian and civic purposes in Central America.

I do not quarrel at this point with the policy, but I merely state my interest in being aware of what that policy is.

Members of this subcommittee, especially on the Democratic side, have felt that it was the purpose of the Defense Department to mislead the committee in the past. I would suggest to you that that is not conducive to a good working relationship and it might be much easier for both of us if we can have a good understanding and a mutuality of information on these important matters.

Dr. **Wade**. Yes, sir. I appreciate that point. The letter was received about a week ago addressing the concerns of the committee, and my understanding is we are within applicable laws and the intent of the committee, and when all the facts come in, I will review them, but——

Mr. **Alexander**. Well, since the comptroller general letter and opinion to which you refer that Congress has authorized humanitarian aid to Central America, some parts of Central America, which broadens your authority. Prior to that time, it was the opinion, as we have stated in the comptroller general, that your use of the O&M funds was authorized. Had this been a civil action, you personally would have been responsible for misusing these funds.

Of course, there is no recourse under present law to provide for that. But I will be personally monitoring the use of O&M funds in that region. And I might add that once the policy established, that I am not going to use my position on this committee to undermine the policy. Many of the things that we are doing there I agree with. I just do not like to be receiving information which is misleading and I do not like to be improperly informed on these matters because it makes it look bad to our constituents. They think we are supposed to know what is going on here. And sometimes I read it in the New York Times or the Washington Post before I receive it from the administration.

And with that comment, we can proceed with whatever the agenda is that is established by the Chairman.

Dr. **Wade**. Yes, sir. Well, I appreciate your comments and it is certainly not my intention to take any steps to deceive implicitly or otherwise. And, secondly, I think we have made the statement that everything we've done is up front. If that is not working, just give me a call.

Mr. **Alexander**. Well, if that is the case, we will not have any problems.

Dr. **Wade**. Yes, sir, we will not.

Mr. **Alexander**. That has not always been the case.

Dr. **Wade**. We will have to keep working at it, but that is my objective.

Mr. **Hefner**. As you are aware, we sent a letter to Mr. Taft, who is concerned about using O&M money, which is another justification of why we should have that accounting within this committee. This happened one other time when General Gorman was before this committee when we had a real misunderstanding.

But it is a little bit late for us when we see these funds expended and all we can do is be indignant about it. We are told, well, we will have to work together, this will not happen anymore, and then it happens again, and we are indignant again, and it causes a bit of friction that we would not like to see.

Dr. **Wade**. Yes, sir.

Mr. **Hefner**. We would hope that we would be very, very careful about it to see that these things do not happen. And yet I may be covering the same ground that you have been through. We are going to be charged with military construction and we want to be held blameless when we are not involved, but we want to know where our monies are going and how these things are funded. If they are going to be constructed by troop labor and what have you, if they are going to be permanent facilities or what have you, if you are going to be building permanent facilities, if they are going to be done by contractors, then this is the appropriate committee to be dealing with.

Dr. WADE. Yes, sir.

[CLERK'S NOTE.—Additional questions submitted by Mr. Hefner are as follows:]

Question. Can you explain the rationale for using Operation and Maintenance funds for non-exercise minor construction which is not constructed by troop labor?

Answer. Section 2805 of Title 10, United States Code, permits the use of O&M funds for military construction projects costing less than $200,000. This authority is not limited to troop construction and is applicable to all construction under $200,000 worldwide.

Question. How does the Department plan to respond to my objections to the use of O&M funds for this construction?

Answer. It is anticipated that DEPSECDEF will respond to your concerns by February 27, 1986.

[CLERK'S NOTE.—End of questions submitted by Mr. Hefner.]

Mr. HEFNER. So, any other questions? Mr. Rudd?

U.S. PRESENCE IN EUROPE

Mr. RUDD. Thank you, Mr. Chairman.

You know, we may be establishing new guidelines for what we are doing of a necessity. But when we are talking about 50 years as a projection and whether we are going to construct and reconstruct in our 50-year period of time, it scares me a little bit, not inside the United States but abroad. And what you are saying applies to our bases abroad, too. What I have seen in Europe is that there is this high degree of permanency.

I do not think we can afford to plan our future with that sort of permanency, because there is just not anything that is that permanent. I think we have been in Europe for 35 or 40 years, but we have had our ups and downs and we have been around the world that length of time, too, since World War II. But I do not think we can afford to plan that sort of permanency, because it does not really exist. In fact, it is all very temporary.

We deal on a day to day basis with all our allies. We do not have any degree of permanency, and I think that instead of building these very permanent installations, that we ought to be thinking more in terms of temporary installations. Whether it is more expensive for the moment or not, it will not be more expensive in the long run because if we can walk away from something that is temporary, we are not going to lose as much as if we walk away from something that is very permanent and installed to last 1,000 years with repairs, or even 100 years with repairs.

So I just want to voice my very deep concern about that philosophy.

And there is one other thing that I have got to get off my chest, because I would like to know where you stand on Fort DeRussey.

Dr. WADE. Yes, sir. Let me address your first comment.

Mr. **Rudd**. All right.

Dr. **Wade**. I certainly appreciate your concern, particularly about some of these overseas facilities. At the same time though, I would note that we are facing a problem that we can control or manage in the United States. It is the problem of an external threat. This external threat, in part, can only be managed if we demonstrate a certain degree of permanency in the context of our being able to withstand or meet that threat over the long term.

So on that point there is a perception, a willingness, a steadfastness that we are going to show the Soviet Union that we were going to see this thing through.

Secondly, I think most of the——

Mr. **Rudd**. What I am saying has nothing to do with that.

Dr. **Wade**. Well, I think in part it does, sir, because in most of the facilities in the United States, in that context our facilities have aged and we need to modernize these facilities to make sure that our people do have the required infrastructure so that their morale, their productivity is maximized. So I think, in part, this upfront funding, even if it is 2 percent per year, has a long-term payoff.

As far as Fort DeRussy is concerned, my personal position on that, although I know it has been a long-term problem, is that we ought to be very careful before we give up valued facilities of this kind.

Mr. **Rudd**. I wish you were a little stronger than that.

Dr. **Wade**. Well, I am as strong as I can be, sir.

Mr. **Rudd**. All right, back to that first part of the question before we leave it. Nobody is saying that we should not display some permanency of force. I am saying that this high degree of permanency in facilities is one that concerns me. I cannot help but think that every time I walk over some of the ground in Europe. I did not know General Patton personally, but I have read a lot about him, and I wonder if he would not make do with what he had.

We are in a hell of a bind here money-wise, funding-wise, and I think everybody pays lip service to it, including members of Congress, the Administration, and everybody else. But it has got to have a little more than lip service. We may have to make do with what we have. I think our allies would respect us for it if we did. Rather than making really heavy high cost investments for a high degree of permanency, we ought to be thinking about cutting back into a more temporary status for our facilities. I feel our allies would respect us for that, because they should realize that we do not have all the money in the world. They are used to coming in and asking for funds and getting all that they want, sometimes more. And I have heard people say, well, gee, all I wanted was this and I got this and this and this. Maybe there was a reason for it. But I think we really have to draw our horns in on this high degree of permanency. We can have some degree of permanency, or a small degree of permanency with what we have already. We can leave that there because we are the allies and we want them to know that we are there to help them. But if we have to move out, we want to be able to move out.

The Soviets understand that, too. So as long as we are lean and flexible and ready to move as fast as we can, we are in a lot better shape than being there forever, not being able to move when we can. And I guess I am talking about things like the Maginot Line. So I just personally think that we have to really get involved in this and start thinking in a lean, low cost way. We do not have that kind of money to spend anyway.

Dr. **Wade**. Yes, sir, I appreciate——

Mr. **Rudd**. You asked for all this money and there is no way we can find it.

On the package approach, you say this is going to save money, and I am wondering how it is going to save money. You passed over it pretty fast.

Dr. **Wade**. Well, I think if you go back 10 years ago, or 20 years, and I am certain the Chairman is more familiar than I am with this, and look at some of the conditions that our soldiers in Europe were working and living in, looking at those conditions today one can say it was a permanent kind of operation. I would hate to see us 20 years from now still maintaining these inadequate temporary facilities, looking back and saying that this was not a permanent operation.

I think we have got to be prepared for the long-term pull because being prepared for the long-term pull will, I think, provide the increased possibility of having a permanent peace. I think that is what our objective is.

We are still striving to be lean and mean. I agree with you totally on that comment. But over the past 10 plus years, I do not think we were lean and mean. I think we were just the opposite. Our objective is to get lean and mean, and there is certainly room for discussion on some of the detail.

Mr. **Rudd**. Well, if you want to stay on this subject, that is fine with me, but we are talking about this high degree of permanency. You say 10 or 20 years ago we were not prepared to stay as long as we could. Regardless of what we do, we have to make our decisions on a day to day basis, because things are going to change. And when they do change, they are going to change very rapidly. And I do not want to see us dig down 1,000 feet and put up structures that cannot be destroyed, that we have to leave there when we do leave, because one of these days we will be leaving there. Things are going to happen so that it will happen that way and we will have to leave.

Dr. **Wade**. Yes, sir.

Mr. **Rudd**. The trouble spots on this earth are changing little by little. It will not always be Central Europe. We hope it will be because that is where all of our heavy investments are, but they are changing a little bit. So I think we ought to be prepared to be flexible and get out when we have to, and that means we do not make permanent, long-term investments construction-wise to stay there. We have to be mobile and that is what I am talking about. And we are not in the mood to be mobile. We are in the mood to put in permanent, long-time construction pieces that cannot be moved and that we have to leave. And that is what I am talking about.

Dr. **Wade**. Yes, sir. Well, I think your message is on the mark. You are not talking about airfields. They have got to be permanent, fixed, if they are going to work. So there is a balance here.

Mr. **Rudd**. But an airfield does not cost as much as some of the other installations that we have built. And we can move them around. If you are talking about strips, and airfields and landing strips and that sort of thing; we can change those around. But the permanent installations there are not part of that either. We have to be mobile. If we are not mobile, then we are not going to be effective. And if we are immobile, then we are sitting ducks for the Soviets. And I am talking about the big, broad, general picture.

Dr. **Wade**. Yes, sir.

PACKAGING

Mr. **Rudd**. But you were talking about the packaging approach to save money, and I would be very pleased and would appreciate it if you would maybe go into some detail on that. I do not quite understand what you——

Mr. **Wade**. Well certainly in military construction facilities, you spend the appropriate amount of funds and look at the total package cost. But if you take the opposite approach and try to skimp and save money in the design phase, in the front-end planning, you are going to pay, but you are going to pay at the end of the program. We see that time and again in acquisition, where many of our contracts will try to skimp on monies that could be made available up front that would have an impact on logistics, an impact on maintenance; and, then we end up paying for it 10 years plus downstream.

Mr. **Rudd**. Well, to put that package together, what are you talking about? Getting architects and engineers?

Dr. **Wade**. No, sir. We are not talking here of depreciation of facilities, or your equipment. Your investment in this regard will have an impact on the efficiency of the total weapon system. So you should not look at this in isolation. That is my point about looking at the total package.

Mr. **Rudd**. Are you talking about one bidder who will subcontract everything else out.

Dr. **Wade**. That could be it. But if you try, for example, to skimp on living conditions, that means that the maintenance capability of your people is going to go down. Your productivity is going to go down. You are going to have to pay, perhaps 10 years downstream, more than if you had put in a better facility up front. That is what I would call looking at the broader package consideration.

Mr. **Rudd**. Well, when you talk about a broader package, are we talking about dealing with one contractor, one super bidder and then let him go in for all of the——

Dr. **Wade**. Not necessarily sir. I think each case has its own acquisition strategy.

Mr. **Rudd**. Well, does this broader package mean a longer period of time or a heavier installation or——

Dr. **Wade**. It could be.

Mr. **Rudd** [continuing]. Costly installation or what?

Dr. **Wade**. Well, I think it just depends on what specific program you are talking about. If you look at the facilities that go along with the GLCM Program, for example, you want to make sure that the investment in the facilities are compatible with the monies you are putting into the weapon system.

There is no sense in looking at a multi-billion dollar weapon program and try to cut the investment of the facility by 10 percent when it might only be 5 percent of the total cost. That is what I mean by making sure you look at the whole package.

Mr. **Rudd**. Well, okay. If you have any written material on that——

Dr. **Wade**. Yes, sir.

Mr. **Rudd** [continuing]. I would appreciate it if you would send it to me.

Dr. **Wade**. Fine.

[The information follows:]

PACKAGING MILITARY CONSTRUCTION PROJECTS

Packaging is the collection of two or more projects into one contract. In some instances, packaging is a good management technique and is used often by the Services to increase management efficiency and reduce costs. When two or more projects are in such close physical proximity to each other than interferences would develop between contractors, combining these projects into a single contract is more efficient in that it avoids possible disputes between contractors and the Government. There are three primary sources of cost savings from this technique. The first is economy of scale in purchases. If the contractor can buy supplies in carload lots, costs will be reduced. The second is reduced overhead. If one contractor is managing several projects at the same location, he needs fewer administrative and supervisory personnel than if several contractors were managing the projects. The third is reduced mobilization and demobilization expense. If one contractor brings construction equipment to a site and completes two or more, projects before removing the equipment, the duplicative costs, which would occur with multiple contracts would be avoided.

The full cost saving benefits of packaging are realized if three conditions are met. First, the projects should be similar. Combining airfield runways and barracks in the same contract will not save much because different materials, skills and equipment are required. Second, the projects should be at the same location. To the extent they are separated, savings are reduced. Third, the earlier the decision to package is made the better. It is especially beneficial to make the decision early in the design process because the designer can assist by specifying standard windows, doors etc. However, if some delay can be accepted, the decision to package can be made right up to the point of advertising the job.

In any case, the decision to employ this technique must be left to those involved in the actual development and execution of the projects for two reasons. First, they are in the best position to determine the local competitive environment in the construction industry. In some areas, there are many small business contractors and the competition is fierce, and packaging might increase the size of the contract to the point that some firms are no longer able to compete. In those cases, we probably get a lower aggregate price through smaller contracts and increased competition than we get from economies of scale and reduced overhead associated with packaging. In other instances, aggregating projects in a large contract will increase competition by attracting larger firms from a wider area. Such an effort is being made in Europe to encourage U.S. contractors to bid on Milcon projects. A second factor to be considered is the issue of timing. In cases where a project is needed quickly to meet a required date for equipment delivery or an activation of a unit, combining it with other projects may show the contracting process and unacceptably delay the project. This is especially true when the decision to package and impose project budget reductions is made without full knowledge of the circumstances affecting the projects.

OSD continues to urge the DoD Construction Agents to use packaging wherever, in their judgement, the circumstances indicate that it makes sense to do so. Such packaging should be, and is occurring quite routinely as a matter of good business.

Mr. **Rudd**. Thank you, Mr. Chairman.

MODEL INSTALLATIONS PROGRAM

Mr. HEFNER. Mr. Wade, in your report on the model installations program you indicate that selective projects at five Air Force bases will utilize Air Force personnel as the design and construction agent instead of the existing Corps of Engineers personnel. This is going to result in hiring 34 additional people by the Air Force.

Now, would it be more cost effective to continue the use of the Corps as the design and construction agent because of economies? Do you plan to expand this practice?

Dr. WADE. Mr. Chairman, first of all, this is a test, and the test was underway before I came into this job. I have the same concern that you are expressing here. I would like to see the test completed, since it has been started. My common sense runs in the other direction, but we will let the test finish itself, and then make the judgment at that time.

So rather than say we are planning on expanding this at this time, the answer is no. We want to see what the results of this test are.

Mr. HEFNER. Well, this sort of goes along with the old saying that we have heard so many times "If it ain't broke, don't fix it."

Dr. WADE. Absolutely.

Mr. HEFNER. Now you are going to hire 34 people and you are going to go into something in which there is not a whole lot of expertise. This is not saying that these are not bright people. These people, and all of us, the Air Force not being an exception, are a little bit protective like this committee of their own turf. What assurances are there to prevent the Air Force from attempting to increase design and construction efforts?

Dr. WADE. In this realm?

Mr. HEFNER. Yes.

Dr. WADE. I will not approve it. I want to see the test completed. I want to see the results, see the value, and then I will come back and talk with you. But I would like to see the test completed.

Mr. HEFNER. Can we depend on that?

Dr. WADE. Sir?

Mr. HEFNER. Can we depend on that?

Dr. WADE. Absolutely.

FAMILY HOUSING

Mr. HEFNER. Okay. Fiscal '87 requested permanent unlimited authority for the 801 and 802 leasing programs. Why has this authority been requested and what is the status of the Department's investigation of the installment purchase alternative for new housing.

Now, we've had some real battles around here lately as far as 801 programs are concerned, and I don't mind telling you I'm not all that enamored. To me, the experiences we've had so far, excuse the language, ain't worth the hassle.

Would you comment on that.

Dr. WADE. Yes, sir.

First of all, Mr. Chairman, I have the same concern you have. I think our projections indicate a positive cost-effective approach here. We are preparing new legislation which we will be sharing with you soon. But I think the staffs now are working better. At least they'd better be because I went through the same problem you did several months ago. We have to be able to provide a better up-front economic analysis that we share with your staff. There has to be general agreement in the direction we're proceeding. And, the results of these tests should indicate a viable cost-effective approach. Otherwise, we should terminate this approach.

But, as of now, I think the Department believes that this is a viable approach and my posture is let's see what happens. But, I do think we have to work closer with you and your staff so that what happened several months ago will never happen again.

Mr. **Hefner**. As I told you, we had breakfast with General Otis and he was very complimentary about the manufactured housing.

Now, the law requiring U.S. manufactured housing overseas has met with mixed results. In Europe the British have delayed its implementation. The Italians and the Belgians have insisted on building the least possible of these products in conjunction with the construction project. The Portuguese have refused to accept it, and the Germans are beginning to pull back from their initial acceptance of the program.

Now, to me, this is one of the areas that would be of great help to us when we're talking with people here that would like to get a piece of the action when we spend money. This is one area, it seems to me, where you could be a bit hard-nosed with the Portuguese and the Italians and the Belgians and all those people in saying, look, this is the way that it is going to be. This is not a very diplomatic way of doing it, but this is one of those cases where you really have some leverage to say, look, guys, we're spending all these big bucks and it's a lot of money, our budget is tight, and we don't want to go this route.

Would you care to comment on that?

Dr. **Wade**. Well, I——

Mr. **Hefner**. If you're committed to the program——

Dr. **Wade**. Yes, sir. Yes, sir.

I appreciate your comments. I also understand the size of the bureaucracy over in NATO, and you've really got to have——

Mr. **Hefner**. I understand that.

Dr. **Wade**. You have to put your head down and push. I think at the same time one could take a perspective that we should not address all these basic funding parts in isolation overall. We're doing quite well with a two-way street and we need to continue.

But, at the same time, I think the message from this Committee and Congress is clear. Let's just keep pushing and see what happens.

Do you want to add to that, Bob?

Mr. **Stone**. I agree with what Dr. Wade said.

I think the requirement for manufactured housing overseas is a good deal for the United States. We've been in some tough negotiations, particularly with the Italians, also with the Germans. We've told them your story, that this is a good deal for them, too. We've made a lot of progress.

We haven't won 100 percent, but I think we've won over 50 percent, and we'll keep battling on the lines that you've laid out.

Mr. HEFNER. Well, we definitely want to do that because I think this is one area where we can really negotiate and be hard-nosed without being so voluntary, but I understand that I'm leaning to one area.

We talked with some Belgians and some Germans and they understand this. They're not going to roll over and accept it unless it's put bluntly. So, this is one of the areas I think that we can be straight forward.

[CLERK'S NOTE.—The following questions were submitted by Mr. Hefner:]

Question. Until 1984 the Department's emphasis regarding domestic family housing was to rely on the private sector for housing to the maximum extent possible. Since that time lower ranking personnel, E1's through E4's have been made eligible for housing and we have seen ever increasing requests for new housing. Can you explain this apparent policy reversal and tell us if the Department plans to continue to pursue increases in new domestic housing construction and leasing?

Answer. Department of Defense (DoD) policy is to rely on the private community as our main source of housing for our military families. About two-thirds of the 1.2 million military families live on the economy, most in suitable and affordable housing. However, studies indicate that in spite of housing allowances, the scarcity of affordable housing makes it virtually impossible for E1's to E3's to locate acceptable housing.

In December 1984 DoD assignment policy was revised to give all E4's the same priority for assignment to family housing and give all enlisted personnel equal priority for assignment to substandard housing. The Military Department were also given authority to include E1's through E3's in their future requirements for military housing construction and acquisition. However, because of the critical shortage of family housing at many installations in the United States the Military Department family housing requests for new construction primarily include units for enlisted personnel in grades E4 through E9.

The revival of the domestic leasing program is an attempt to provide temporary relief to our lower ranking military personnel who are precluded from obtaining acceptable housing due to the high cost of limited housing available at some locations in the United States. Domestic leases will be used at locations with critical housing shortages until government housing programs, such as new construction, Section 801 leasing, or Section 802 rental guarantee, or the local economy can provide sufficient housing at a reasonable cost.

GENERAL OFFICER QUARTERS

Question. The fiscal year 1987 budget contains a request for $160,000 for a 3,000 square foot house at Osan Air Base, Korea. Why has an increase in the statutory limit of 2,350 square feet been requested?

Answer. The quarters are for the senior United States Air Force representative in Korea. Official responsibilities of this position entail hosting large social events. Dignitaries attending these events have included the President of Korea, Korean cabinet members and the Republic of Korea Chairman of the Joint Chiefs of Staff. The requested scope of work will provide quarters which are less than 90 percent of the Department of Defense average size general/flag officer quarters. The existing house will be demolished.

Question. How many requests for large new houses for general and flag officers do you anticipate in the future?

Army Response. The determination of requirements for new general and flag officer quarters will be based on the results of the Army Historic Quarters Study. These quarters which the study determines are uneconomical to rehabilitate and continue operating will require replacement. If the replacement is for an installation commander, or a general officer quarters for a commander or designated key staff position, then we would request an exception, as was done with the Fort Hood, Texas, project, to build larger than the existing statutory limit. Reports on the first installations inspected are presently being finalized and requests for a few units may be submitted in the Fiscal Year 1988 budget based on these reports.

Navy Response. The Navy's Fiscal Year 1988 family housing construction program proposes the replacement of four high-cost flag officer quarters. As a result of the Navy's study of high-cost quarters to be completed by the end of calendar year 1986, it is anticipated that additional units will be required in future years. The replacement units are being planned at 3,000 net square feet. This is in consonance with the Navy's belief that an increase in the statutory limitation on square footage for flag quarters is necessary in order to effectively pursue a program of replacing high-cost quarters.

Air Force Response. The Air Force has no current plans to construct new houses which exceed the statutory size limit.

Question. Have any changes to this law been requested in fiscal year 1987?

Answer. No. The Fiscal Year 1987 Military Construction Authorization request does not include a request to change the law requiring United States manufactured/factory built housing overseas.

Mr. HEFNER. If there are no further questions, we'll place the rest in for the record.

[CLERK'S NOTE.—Questions for the record and the answers thereto follow:]

FORT DRUM, NEW YORK

Question. The Department is asking for authorization for the full scope of military construction at Fort Drum with appropriations spread over three years. However, the oficial budget only contains a request of $232 million for fiscal year 1987 and no advance appropriations for fiscal year 1988 and 1989. Is this an inadvertent omission? If so, how do you plan to correct it and make it official?

Answer. Yes, this was an inadvertent omission. A March 4 letter from the President to the Speaker of the House of Representatives corrected this omission, adding the appropriation language for the advance appropriation required in FY 1988 and FY 1989.

[The information follows:]

John Shehut
Rm 10001

THE WHITE HOUSE
WASHINGTON

March 4, 1986

The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider an amendment to the request for appropriations for fiscal year 1987 for the Judiciary and amended fiscal year 1987 appropriation language for the Department of Defense-Military. I am also requesting funds for the Department of Agriculture's Food Safety Inspection Service that were made available by the Continuing Resolution at the request of the President without further Congressional action.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

Ronald Reagan

Enclosures

DEPARTMENT OF DEFENSE-MILITARY

Military Construction

1987 Budget Appendix Page	Heading	1987 Request Pending	1987 Proposed Amendment	1987 Revised Request
I-G48	Military Construction, Army (In the appropriation language under the above heading insert the following immediately after "and the reasons therefore.":) In addition, for construction at Fort Drum, New York, there is appropriated in advance to be available for obligation in fiscal year 1988, $221,000,000, to remain available until September 30, 1992 and to be available for obligation in fiscal year 1989, $162,000,000, to remain available until September 30, 1993.	$1,695,200,000	language	$1,695,200,000

This appropriation language was inadvertently omitted from the fiscal year 1987 Budget. This proposal would not affect outlays.

Question. You indicate that the construction contract for Fort Drum will be a single major contract. How will this contract implement small and minority business set-asides?

Answer. The Request for Proposal (RFP) will state that we expect the bidders to include a subcontracting plan as part of their proposal. The suitability of the subcontracting plan will be part of the evaluation of the proposals. The RFP will list the names of small business including small and disadvantaged business which qualify as subcontractors. The names were obtained from Regional Building and Trades Associations and the Small Business Administration.

The single contract with advance appropriations proposed by the Army should cost approximately $100 million less than the cost using multiple contracts and normal funding procedures.

ACCOMPANIED TOURS—KOREA

Question. In March of 1985, the Air Force apparently adopted a policy to expand the number of accompanied tours in Korea. There is, however, currently no plan specifying the resources necessary to carry this out. What is the DoD policy on accompanied tours in Korea?

Answer. The Services believe that the increased cost of accompanied tours that would be associated with MILCON required in Korea would be more than offset by higher morale, better discipline and improved readiness. The Department, however, is aware of the Congress' stated position on fully accompanied tours, and no resources have been requested or committed for any expansion beyond that already specifically authorized by the Congress. Should the Department find in the future that additional accompanied tours are economical and practical, based on studies, the proposals and studies will be presented to the Congress for approval before any projects that support additional accompanied tours are included in the budget.

Question. Are there currently any funds in the five-year Defense budget for this initiative?

Answer. No.

Question. Do you have any idea how much this would cost?

Answer. The cost would depend on the number of additional billets of adequate family housing and support facilities in country, and the need for them before accompanied tours can be increased, the cost would be appreciable and could only be quantified based on firm plans and studies.

FOREIGN CURRENCY FLUCTUATION

Question. The Department has requested the authority to establish a foreign currency fluctuation account, but has not requested any funds to start it. With the recent downturns in the value of the dollar, how do you envision this account functioning in fiscal year 1987?

Answer. Savings from good bids might provide some initial capitalization. However, the recent downturn in the dollar overseas will cause FY 1987 and prior year projects to be underpriced. Since military construction, including family housing construction, is a five year account, unlike the O&M account, predicting foreign currency rates is very difficult. Predicting such foreign currency rates several years in advance of program execution makes identifying possible gains or losses equally risky.

Question. What is the rationale for having this account centrally managed at OSD?

Answer. This account would operate like the centrally managed O&M fluctuation account. Such a procedure would provide the convenience of setting-up only one account rather than four separate Service accounts as well as central control of the funds that would be available only to offet losses due to foreign currency fluctuations.

Question. Have you specifically identified any savings that could be used to start up this fund?

Answer. No specific savings have been identified. With the passage of the proposed legislation, funding of this account would come from lapsing balances or prior construction appropriations, savings from good bids, and foreign currency gains/savings.

Question. How would Congress be informed of transactions in this account?

Answer. We would provide you with information in a format and timeframe that you specify.

FORT DERUSSY

Question. What is the Department's position relating to the sale of a portion of the Fort DeRussy complex?

Answer. At the request of Congress, DoD is conducting a study to determine the availability of excess land on Fort DeRussy and its possible civic (non-commercial) uses. The Department will submit a report to the cognizant Congressional Committees by April 15, 1986.

DoD is willing to sell excess land at Fort DeRussy for full fair market value if the funds are used to replace the reserve centers at another location and to reduce the national debt.

DEFENSE FACILITIES REPLACEMENT FUND

Last year the Congress denied the $33 million requested to initiate the Defense Facilities Replacement Fund. The Committee Report indicated that the Department should seek the authority to use receipts from the sale of excess DoD land to initiate this fund.

Question. Why was this authority not requested?

Answer. The Committee Report stated that DoD "should use proceeds from the sale of *excess* real property which has already occurred to fund replacement facilities." Proceeds from the sale of excess real property are deposited by GSA into the Miscellaneous Receipts Account of the U.S. Treasury and, therefore, are unavailable to DoD. The Committee Report stated that the proposed replacement facilities should have enough justification to warrant their being funded through the normal military construction program. Since the Defense Facilities Replacement Program was established to generate proceeds from the sale of *non-excess* real property, by definition, the facilities to be replaced are generally adequate and, therefore, would not qualify for replacement through the normal military construction program. If the Committee's intent is to authorize DoD to retain the proceeds from the sale of excess real property and use those proceeds to capitalize the Defense Facilities Replacement Fund, the Department will request this authority.

PLANNING AND DESIGN FUNDS

Question. A total of $571 million has been requested for planning and design for all Services in fiscal year 1987, which is $98 million more than was requested last year. For the past three years, the Services have requested additional funds for planning and design via reprogramming. Is the Fiscal year 1987 requested level adequate?

Answer. Due to anticipated management initiatives the FY 1987 request should be adequate to fund the final designs of the current FY 1988 program and 35% design of the projects currently in the FY 1989 program. However, shortfalls in prior year funding due to the Deficit Reduction Act and other factors, will cause Services to use some FY 1987 funds to complete design of prior year projects. In addition, the FY 1987 design request has no funds to begin design of projects in the second year of the biennial budget.

Question. Do you anticipate a requirement to request a reprogramming for planning and design funds in fiscal year 1986?

Answer. It is highly probable that there will be requests to reprogram planning and design funds in fiscal year 1986. There are three factors that make the reprogramming highly probable. First, the design funds appropriated for FY 1986 were less than requested. Then, the appropriation was further reduced by the Gramm-Rudman Act. Also, some FY 1986 projects may have to be redesigned to achieve the cost reductions directed by the Committee. Although, we are trying to minimize redesign, there may be some expenditure of FY 1986 design funds for this unanticipated requirement.

Question. How much did the Office of The Secretary of Defense reduce the fiscal year 1987 request of the Services for planning and design?

Answer. The FY 1987 budget review resulted in increases to the amounts requested for certain accounts and decreases to others. Part of this was the result of program restructuring (e.g., shifting the medical facility construction program from the Service accounts to the Defense Agencies account) and other adjustments deemed appropriate based on anticipated improvements in management efficiencies. In total, these adjustments resulted in a decrease of $37.5 million, or 6.1 percent, from the amounts initially requested for the Active Forces, Defense Agencies, and Guard and Reserve accounts. The revised total of $571.0 million requested for planning and design in the FY 1987 President's budget does, however, reflect a substantial increase, 26.7 percent, over the $450.7 million remaining available for such purposes in FY 1986 as a result of final congressional action on the FY 1986 program.

Question. How many future Military Construction projects does each Service have under design that are not currently in the five year defense plan, and what is their estimated cost?

Answer. The Services have projects under design, but not in the current five year defense plan, as follows:

[Dollar amounts in millions]

	Number of projects	Estimated cost
Army	20	$91.6
Navy	2	14.5
Air Force	1	35.0

USE OF NON-APPROPRIATED FUNDS

Question. Provide for the record actual expenditures by State, Service and project of all non-appropriated funded constuction over $200,000 in fiscal year 1984 and fiscal year 1985.

Answer. The following list of non-appropriated funded (NAF) construction projects for fiscal years 1984 and 1985 contain only projects which are in excess of $500,000. Since the projects are in various stages of construction, actual cost cannot be determined until the projects are financially complete and closed out. Projects between $200,000 and $500,000 are reported as a lump sum total. The list reflects the Fiscal Years 1984 and 1985 programs as submitted and approved by the Readiness Subcommittee.

FY 1984 Projects $200,000 - $500,000

Army	$19,151,000
Navy	3,831,000
Marine Corps	3,397,000
Air Force	30,780,000
	$57,159,000

FY 1985 Projects $200,000 - $500,000

Army	$22,257,000
Navy	5,113,000
Marine Corps	2,093,000
Air Force	33,608,000
	$63,071,000

FY 1984 Projects Over $500,000

Installation	Project	Cost ($000)	HASC Action
	ARMY		
Alabama			
Fort Rucker	Commissary Addition	3,050	Denied
Alaska			
Fort Wainwright	Skill Development Center	1,700	
California			
Fort Irwin	Guest House	900	
Fort Ord	Fast Food Facility	670	
	Guest House	1,150	
Presidio of San Francisco	Commissary	11,600	9,100 app
District of Columbia			
Walter Read	Exchange	1,400	
Georgia			
Fort Gordon	Package Beverage Store	760	
Fort McPherson	Exchange Mini-Mall	1,950	
Fort Stewart	Enlisted Open Dining	3,900	Denied
Germany			
Ansbach	NCO Open Dining	1,300	Denied
Frankfurt	Renovate Exchange	750	
Giessen	Warehouse Additions	4,850	
	Bowling Center	3,450	Denied
Goeppingen	NCO Open Dining	2,800	Denied
Hanau	Main Exchange	8,600	
	Bowling Center	5,400	Denied
	Commissary	12,500	
Hohenfels	Bowling Center Addition	900	Denied

Installation	Project	Cost ($000)	HASC Action
Army (continued)			
Germany (continued)			
Pirmansens	Bowling Center	2,650	Denied
Wiesbaden	Youth Activity Center	680	Denied
Hawaii			
Schofield Barracks	Recreational Billeting	1,200	
	Enlisted Open Dining	2,700	
	NCO Open Dining Facility Modernization	810	
Indiana			
Fort Harrison	Bowling Center	860	
	Skill Development Center Addition	500	
	Guest House	950	Denied
Kansas			
Fort Riley	Skill Development Center	1,400	Denied
Kentucky			
Fort Campbell	Branch Exchange	710	Denied
Fort Knox	Fast Food Facility	580	
Korea			
Camp Casey	Multi-purpose Field	570	Denied
	NCO Open dining	1,150	Denied
Camp Carroll	Consolidated Open Dining	1,650	Denied
Camp Edwards	Multi-purpose field	580	Denied
Camp Henry	NCO Open Dining Renovation and Expansion	600	Denied
Camp Humphreys	NCO/EM Open Dining	2,100	Denied
Camp Pelham	Entertainment Center	700	Denied
Yongsan	Bowling Center	4,100	Denied
Louisiana			
Fort Polk	Branch Exchange	990	Denied
	Youth Activity Center	2,150	Denied
	Enlisted Member Open Dining Facilities (2)	2,650	Denied
Maryland			
Fort Meade	Add and Convert Exchange Shopping Center	1,600	
	Commissary	9,800	
Massachusetts			
Fort Devens	Enlisted Member Open Dining Facility	1,350	
	Officer Open Dining	2,700	
New Jersey			
Fort Dix	Youth Activity Center	1,200	Denied
Puerto Rico			
Fort Buchanan	Community/Youth Activity Center	1,500	850 app
South Carolina			
Fort Jackson	Guest House	2,350	Denied
	Commissary	12,400	

Installation	Project	Cost ($000)	HASC Action
Army (continued)			
Texas			
Fort Hood	Package Beverage Store	1,000	Denied
	Skill Development Center	3,150	Denied
	NCO/EM Open Dining Annexes	1,200	Denied
Fort Sam Houston	NCO Open Dining Addition	1,250	Denied
Various Locations		19,151	
Virginia			
Fort Eustis	Package Beverage Store	890	
	Total - Army	157,451	
	NAVY		
California			
OLF Imperial Beach	Branch Commissary	6,710	
NS Long Beach	Lodge	2,900	
	Navy Exchange Addition	2,500	
NAS Moffett Field	Navy Lodge	3,150	
Murphy Canyon Housing Area, San Diego	Commissary	6,600	
Georgia			
NSB Kings Bay	Commissary	3,300	Denied
Rhode Isalnd			
NETC Newport	Navy Exchange	4,760	
South Carolina			
NS Charleston	Single Servicemen's Center	618	
Texas			
NAS Chase Field	Commissary	1,400	Denied
	Navy Exchange	1,5[illegible]	
NAS Corpus Christi	Retail Store Addition	1,500	Denied
Various Locations		3,831	
	Total - Navy	35,919	
	MARINE COPRS		
California			
MCB Camp Pendleton	Location Exchange	785	Denied
	Handball Courts	1,229	Denied
	E Club, Pulgas	1,280	Denied
Japan			
MCAS Iwakuni	Bowling Alley	1,200	Denied
North Carolina			
MCB Camp Lejeune	Recreation Lodge	3,400	Denied
MCAS New River	Service Station	1,398	
Okinawa			
MCB Camp Butler	Consolidated Package Store, Foster	900	Denied
	SNCO Club, Kinser	1,200	
	E Club Addition, Futenma	1,440	Denied
Virginia			
MCDEC Quantico	Upgrade Track and Field Fac.	575	Denied
	E Club, Barrett	640	Denied
Various Locations		3,397	
	Total - Marine Corps	17,444	

Installation	Project	Cost ($000)	HASC Action
	AIR FORCE		
Alaska			
Eielson AFB	Expand Exchange	3,150	Denied
Arizona			
Luke AFB	Commissary Addition	1,050	Denied
Williams AFB	Warehouse Addition	630	Denied
Arkansas			
Blytheville AFB	Add to and Alter Commissary	1,500	
California			
Edwards AFB	Construct Addition to NCO Open Mess	900	
	Construct Fast Food Snack Bar	720	
March AFB	Expand Exchange	2,200	Denied
Travis AFB	Commissary	7,600	
Vandenberg AFB	Commissary/Warehouse	8,900	
Colorado			
Lowry AFB	Construct Branch Exchange	1,200	
	Expand Commissary	2,900	
District of Columbia			
Bolling AFB	NCO Open Mess Addition	850	Denied
Florida			
Homestead AFB	Construct 8-Lane Add to Bowling Center	560	
	Commissary Store	6,400	
Hawaii			
Hickam AFB	Commissary Addition	4,300	
Idaho			
Mountain Home AFB	Commissary Addition	680	
Maine			
Loring AFB	Commissary Store	5,400	
	Expand Main Exchange	1,000	
Michigan			
K. I. Sawyer AFB	Expand Main Exchange	1,000	
Mississippi			
Keesler AFB	Construct Add to Airmen's Open Mess	840	
	Construct Mini-Mall	1,500	
Nebraska			
Offutt AFB	Expand Main Exchange	1,250	
Nevada			
Nellis AFB	Expand Exchange Complex	3,600	
	Construct 60-Unit TLF	2,150	
New Hampshire			
Pease AFB	Commissary Addition	590	Denied
Ohio			
Wright-Patterson AFB	Commissary Warehouse	1,600	
Oklahoma			
Altus aFB	Add to and Alter NCO Open Mess	730	Denied

Installation	Project	Cost ($000)	HASC Action
Air Force (continued)			
Oklahoma (continued)			
Tinker AFB	Commissary Addition	1,200	
	Expand Shopping Center	2,200	
	Bowling Center Addition	580	Denied
South Carolina			
Charleston AFB	Commissary	1,850	Denied
Myrtle Beach AFB	Construct Addition to NCO Open Mess	1,200	
Texas			
Lackland AFB	Expand Commissary	3,050	
Virginia			
Langley AFB	Commissary Store	2,100	
Washington			
Fairchild AFB	Commissary Store	7,200	
McChord AFB	Commissary Addition	2,450	
Germany			
Hahn AB	Commissary Store	9,500	
Rhein Main AB	Commissary/Warehouse	11,400	
Spangdahlem AB	Commissary Store	3,900	
Greece			
Iraklion AS	Commissary Addition	700	Denied
Italy			
Aviano AS	Commissary Addition	1,050	
Comiso AS	Commissary Addition	2,250	Denied
San Vito aS	Warehouse Addition	730	Denied
Korea			
Kunsan AB	Construct 6-Lane Add to Bowling Center	860	
Osan AB	Expand Shopping Center	1,850	
Philippines			
Clark AB	Construction of Branch Exchange	610	
Portugal			
Lajes Field	Bowling Center	1,602	
Turkey			
Incirlik AB	Construct 6-Lane Add to Bowling Center	560	
	Commissary Store	9,300	
United Kingdom			
RAF Bentwaters	Construct 40-Unit TLF	1,950	
RAF Chicksands	Commissary Addition	670	
RAF Greenham Common	Construct 36-Unit TLF	1,750	
	Commissary	6,500	Denied
Various Locations	Lump Sum	30,780	
	Total - Air Force	$178,292	

FY 1985 Porjects Over $500,000

ARMY

Alabama			
Fort McClellan	Class VI Store	1,000	Denied

Installation	Project	Cost ($000)	HASC Action
Army (continued)			
North Carolina			
Fort Bragg	Commissary Warehouse Addition	2,700	
	Class VI Store	860	
	NCO Open Dining Renovation and Addition	800	Denied
Oklahoma			
Fort Sill	Enlisted Open Dining Facility (Club)	1,950	Denied
Texas			
Fort Bliss	Expand Shopping Center	4,200	
Fort Hood	Fast Food Facility	720	
	Bowling Center Addition	1,700	Denied
Fort Sam Houston	NCO Open Dining Facility Addn	1,450	
Virginia			
Fort Belvoir	Expand Main Exchange	2,700	
Fort Eustis	Bowling Center Addition	660	
Fort Myer	Expand Main Excahnge	660	
Vint Hill Farm Station	Community Center	890	
Washington			
Fort Lewis	Commissary	10,700	
	Automotive Selp-Help Garage Addition	950	
	NCO Open Dining Renovation	750	
Germany			
Various Locations	Bowling Center-Hanau	3,250	
	Commissary-Hanau	7,100	
	Warehouse Addition and Renovation-Giessen	8,350	
	Expand Shopping Center-Fuerth	9,100	
	NCO/Enlisted Open Dining Facility (Club)	3,900	
	Branch Exchange-Leighton Barracks/Wuerzburg	2,200	
	Shopping Center-Wharton Barracks/Heilbronn	7,100	
	Renovate Main Exchange-Downs Barracks/Fulda	780	
	Stars & Stripes General Purpose Warehouse	2,150	Denied
	Stars & Stripes Administration Building	1,050	Denied
	Commissary-Fuerth	9,200	
	Bowling Center-Grafenwoehr	2,800	
	Bowling Center-Karlshrue	2,050	
	Bowling Center-Frankfurt	2,350	
	Bowling Center-Heidelberg	2,300	
	Bowling Center-Katterbach/Ansbach	1,700	
	Youth Center-Wiesbaden	1,000	

Installation	Project	Cost ($000)	HASC Action
Army (continued)			
Alabama (continued)			
Fort Rucker	Branch Exchange	620	
Arizona			
Fort Huachuca	Enlisted Open Dining Facility (Club)	750	Denied
	Youth Center	2,200	
	Class VI Store	1,200	Denied
Fort Huachuca (continued)	Expand Shopping Center	3,100	
Yuma PGS	Skill Development Center	890	
	Guest House	600	
California			
Fort Irwin	Bowling Center Addition	1,150	
	Guest House	1,300	
Presidio of Monterey	Shopping Center	3,050	
Fort Ord	Branch Exchange (Convenient)	870	
Presidio of San Francisco	Commissary	8,300	
Colorado			
Fort Carson	Automotive Self-Help Garage	2,900	
Fitzsimons Army Medical Center	Enlised Open Dining Facility Club	3,800	Denied
Georgia			
Fort Benning	Youth Center	1,250	
Fort Stewart	Guest House	3,500	
	Shopping Center-Hunter Army Airfield	3,600	
	Expand Shopping Center	2,350	
Hawaii			
Schofield Barracks	Car Care Center/Auto Service Station	1,350	
Maryland			
Aberdeen PG	Automotive Self-Help Garage	1,300	
Fort Detrick	Youth Center	600	Denied
New Jersey			
Fort Dix	Enlisted Open Dining Facility (Club)	2,700	Denied
	Exchange Automotive Service Station	1,700	
New Mexico			
White Sands Missile Range	Outdoor Recreation Equipment Center	520	
	Guest House	750	
New York			
Fort Drum	Bowling Center	1,400	Denied

Installation	Project	Cost ($000)	HASC Action
Army (continued)			
Korea			
Various Locations	Bowling Center-Taegu	1,700	
	Bowling Center-Hialeah Compount	800	
	Multi-purpose Sports Complex-Yongsan	990	
	Multi-purpose Field-Camp Colbern	580	
	Multi-purpose Field-Camp Mercer	580	
	Multi-purpose Field-Camp Pelham	540	
	Bowling Center-Camp Casey West	870	
	Entertainment Center-Camp Howze	720	
	Shopping Center-Camp Walker	2,500	
	Shopping Center-Camp Casey	3,900	
Turkey			
Cakmakli	Bowling Center	500	
	Total - Army	168,500	
	NAVY		
California			
OLF Imperial Beach	Location Exchange	4,400	
	Branch Commissary	5,990	
NAS Miramar	Auto Hobby Shop	1,616	
PMTC, Point Mugu	Playing Field	850	
NS San Deigo	Convenience Store (Murphy Canyon Housing Area)	2,260	Denied
	Commissary (Murphy Canyon Housing Area)	5,652	Denied
Florida			
NCSC Panama City	Exchange	797	
Georgia			
NSCS Athens	Exchange	970	
Illinois			
NTC Great Lakes	Navy Lodge	4,100	
Maine			
NAS Brunswich	Auto Hobby Shop	890	
New Jersey			
NWS Earle	Bowling Alley	820	
NAEC Lakehurst	Bowling Alley	1,017	
Pennsylvania			
NS Philadelphia	Navy Lodge	2,900	
Tennessee			
NAS Memphis	Bowling Addition	1,100	
Texas			
NAS Chase Field, Beeville	Bathhouses	600	
NAS Corpus Christi	Enlisted Mess	1,067	
Virginia			
FCTC Cam Neck	Auto Hobby Shop	604	
	Petty Officers' Mess	3,672	
~~NB Norfolk~~	~~Exchange Central Support Fac.~~	~~654~~	
NWS Yorktown	Bowling Alley	850	

Installation	Project	Cost ($000)	HASC Action
Navy (continued)			
Cuba			
NS Guantanamo Bay	Youth Center	910	
Guam			
NAS Agana	Playing Field	730	
Philippines			
NS Subic Bay	Amusement Center and Laundromat	600	
	Shopping Center	5,300	
Puerto Rico			
NS Roosevelt Roads	Auto Service Center	1,100	Denied
United Kingdom			
NA London	Bowling Alley	1,450	Denied
Various Locations	Lump Sum	5,113	
	Total - Navy	50,899	
	MARINE COPRS		
California			
MCAS El Toro	Fast Food Facility	590	
MCB Camp Pendleton	Exchange	785	
	Consolidated Club	1,280	
	Handball Courts	1,229	
Hawaii			
MCAS Kaneohe	Exchange Upgrade	1,150	
North Carolina			
Camp Lejeune	Enlisted Club	1,800	Denied
South Carolina			
MCRD Parris Island	Exchange Upgrade	679	
Japan			
MCAS Iwakuni	Bowling Alley	1,200	
	NCO Club	4,300	
MCB Camp Butler, Okinawa	SNCO Club - Courtney	600	
	Enlisted Club Addition-Futenma	1,440	
	Bowling Center - Courtney	1,800	Denied
	Enlisted Club - Hansen	1,000	Denied
	Enlisted Club - Schwab	760	
	Handball Court - Fuji	500	
	Total - Marine Corps	19,113	
	AIR FORCE		
Alabama			
Maxwell AFB	Expand Shopping Center	2,600	
Alaska			
Eielson AFB	Expand Main Exchange	3,150	
Elmendorf AFB	Expand Shopping Center	5,600	
	Youth Center	2,600	
Arizona			
Luke AFB	Addition to Commissary Store	1,360	
	Construct Burger King Facility	533	
Arkansas			
Blytheville AFB	Expand Main Exchange	1,750	

Installation	Project	Cost ($000)	HASC Action
Air Force (continued)			
California			
Los Angeles AS	Renovate Building for 22-Unit Temporary Lodging Facility (TLF)	860	
March AFB	Expand Main Exchange	2,800	
Norton AFB	Construct Commissary	9,600	Denied
Travis AFB	Construct Burger King Facility	584	
Colorado			
Peterson AFB	Add to Commissary	2,950	Denied
District of Columbia			
Bolling AFB	NCO Open Mess Addition	1,255	
Florida			
MacDill AFB	Commissary Store	7,900	
Patrick AFB	Convert Branch/Exchange/ Service Administration	520	
Georgia			
Moody AFB	Construct Shopping Center	3,600	
Hawaii			
Hickam AFB	Alter Shopping Center	1,100	
Wheeler AFB	Bowling Center	1,000	
Illinois			
Scott AFB	Commissary Store	9,900	
Kansas			
McConnell AFB	Add to Golf Course	900	
Maine			
Bangor	Construct Commissary	2,600	
Maryland			
Andrews AFB	NCO Open Mess Addition/ Alteration	1,250	
	Add to Commissary	3,000	Denied
Michigan			
Wurtsmith AFB	Add to Shopping Center	1,450	
Mississippi			
Kessler AFB	Construct Burger King Facility	500	
Nevada			
Nellis AFB	Add to Commissary	4,800	Denied
New Hampshire			
Pease AFB	Add to and Alter Commissary	790	
New Jersey			
McGuire AFB	NCO Open Mess Addition/ Alteration	1,300	
New Mexico			
Kirtland AFB	Add to Credit Union	700	
	Addition to NCO Open Mess	700	
North Dakota			
Grand Forks AFB	Expand Shopping Center	2,050	
Oklahoma			
Altus AFB	Commissary Store	5,000	
	NCO Open Mess Addition/ Alteration	545	

Installation	Project	Cost ($000)	HASC Action
Air Force (continued)			
Oklahoma (continued)			
Tinker AFB	Add to and Alter NCO Open Mess	1,300	
South Carolina			
Charleston AFB	Commissary Addition	1,850	
	Construct Branch Exchange	900	
Myrtle Beach AFB	Construct Golf Clubhouse	650	
Texas			
Bergstrom AFB	Add to Commissary	3,800	Denied
Brooks AFB	Construct Shopping Center	2,050	
Carswell AFB	Add to and Alter Branch Exchange	750	
	Fast Food Facility	680	Denied
Dyess AFB	Construct 40-Unit TLF	1,550	
	Commissary	1,400	Denied
Utah			
Hill AFB	Construct 40-Unit TLF	1,650	
Washington			
McChord AFB	Expand Main Exchange	6,500	
Wyoming			
F. E. Warren AFB	Construct Shopping Center	2,800	
	Construct Commissary	4,200	Denied
Classified Location	Construct Bowling Center	1,150	
Belgium			
Florennes	Comstruct Commissary	5,800	Denied
Germany			
Hahn AB	Add/Alter NCO Open Mess	1,300	
Ramstein AB	Construct Burger King Facility	580	
Rhein-Main AB	Construct Burger King Facility	580	
	Expand Main Exchange	2,300	
Spangdahlem AB	Convert to Burger King Facility	681	
Vogelweh	Construct Burger King Facility	900	
Zweibrucken AB	Consolidated Open Mess Addn	2,050	
Greece			
Hellenikon AB	Construct Commissary	4,500	Denied
Italy			
Aviano AB	Construct Burger King Facility	580	
Comiso AS	Commissary Store	2,250	
	Construct Branch Exchange	830	
	Construct Cafeteria	600	
	Construct 40-Unit Temporary Lodging Facility (TLF)	1,800	
San Vito AS	Add/Alter Consolidated Open Mess	1,150	
	Construct Commissary Warehouse Addition	730	
	Construct 30-Unit Temporary Lodging Facility (TLF)	1,050	
	Expand Main Exchange	730	

Installation	Project	Cost ($000)	HASC Action
Air Force (continued)			
Japan			
Camp Butler, Okinawa	Commissary Store	8,000	
Korea			
Osan AB	Auto Skill Center	500	
	Construct 16-Unit Temporary Lodging Facility (TLF)	600	
	Construct Officers' Open Mess	3,740	
Yokota AB	Construct Recreation Lodge	2,400	Denied
Philippines			
Clark AB	Upgrade Officer Open Mess	1,150	
Portugal			
Lajes Field	Construct 30-Unit Temporary Lodging Facility (TLF)	1,350	
Spain			
Zaragoza AB	Add to Commissary	1,200	Denied
United Kingdom			
RAF Alconbury	Construct Burger King Facility	900	
	Construct Commissary	11,600	Denied
RAF Bentwaters	Construct Burger King Facility	900	
RAF Fairford	Construct Bowling Center	1,200	
RAF Greenham Common	Commissary Store	6,500	
	Expand Cafeteria	570	
RAF Lakenheath	Commissary Sales Store/Service	6,500	
RAF Mildenhall	Add to and Alter NCO Open Mess	1,470	
RAF Upper Heyford	Add/Alter NCO Open Mess	1,300	
	TOTAL - Air Force	$175,520	

Question. Provide for the record, by Service, a list of all projects over $200,000 that are proposed for construction with non-appropriated funds in fiscal year 1986 and fiscal year 1987.

Answer. The following list of non-appropriated (NAF) construction projects for fiscal year 1986 contains only projects over $500,000, some of which have yet to receive final approval, and will probably not be constructed during FY 1986. Projects between $200,000 and $500,000 are reported as a lump sum figure. For Fiscal Year 1986 the total is $76,420,000. Also, due to a shortage of nonappropriated funds, some of the Fiscal Year 1986 approved projects will likely go unfunded.

The listing for Fiscal Year 1987 is in the process of being finalized and is not available at this time.

Installation	Project	Cost ($000)	HASC Action
	ARMY		
Inside U.S.			
Aberdeen Proving Ground MD	Branch Exchange/Gas	610	
Fort Bliss, TX	Class VI Store	1,150	Denied
	Sports Field Complex	1,050	
Fort Bragg, NC	Branch Excahnge (Gas)	560	
Carlisle Bks, PA	Commissary/Admin	1,150	
Fort Carson, CO	Outdoor Recreation Complex	3,700	Denied
Fort Detrick, MD	Bowling/Skill Development Center	1,700	Denied
	Guest House	750	Denied
Fort Devens, MA	Guest House	3,000	
Fort Dix, NJ	Skill Development Center	2,350	Denied
Fort Drum, NY	Commissary	7,700	
	Shopping Center	7,300	
Fort Eustis, VA	Officers Club-Renovation/ Addition	1,350	
Fort Huachuca, AZ	Skill Development Center/Auto	1,450	
	Youth Outdoor Sports Complex	1,350	
	Outdoor Recreation Equip Ctr	940	
Fort Irwin, CA	Open Din/Class VI Store	3,500	
	Commissary Addn/Alt	4,800	
	Branch Exchange/Conv	670	
Fort Jackson, SC	Youth Center	1,950	
	Class VI Store	1,100	Denied
	Branch Exchange	830	
Fort Knox, KY	NCO Club	1,300	
	Skill Development Center/Auto	2,000	
	Branch Exchange/Gas	690	
Fort Leavenworth, KS	Officers Club Addition	880	
Fort Lee, VA	Class VI Store	1,400	Denied
	Bowling Center Renovation	670	
Lexington-Blue Grass Depot Activity, KY	Commissary	750	
Fort Monroe, VA	Bowling Center Renovation	730	

Installation	Project	Cost ($000)	HASC Action
Army (continued)			
Fort Myer, VA	Bowling Center	2,750	Denied
New Cumberland Army Depot, PA	Consolidated Blub	2,150	Denied
Fort Ord, CA	Skill Development/Auto	2,550	
	Guest House	1,700	
Fort Polk, LA	Guest House	3,200	
Fort Riley, KS	Bowling Center Addition	2,250	
Fort Ritchie, MD	Bowling Center Addition	1,050	
Fort Rucker, AL	Guest House	2,400	
Presidio of San Francisco, CA	Commissary	8,200	
	Bowling Center	2,200	
	Expand Shopping Center	4,050	
	Branch Exchange	510	
Schofield Bks, HI	Bowling Center Addition	1,800	
	Youth Center	3,650	
Seneca AD, NY	Skill Development Center/Add	510	Denied
Fort Sheridan, IL	Shopping Center	2,850	
Fort Sill, OK	Off Family Health Club	2,500	Denied
	Guest House	3,150	
	NCO Family Health Club	2,050	Denied
Fort Stewart, GA	Skill Development Center/Auto	2,050	
Fort Story, VA	Bowling Center	1,150	Denied
Fort Wainwright, AK	Youth Center	3,200	
Fort Leonard Wood, MO	Branch Exchange	770	
Various Locations	Burger Kings	11,000	
		125,070	
Outside U.S.			
Germany-Various	Exp Main Exchange Dexheim	1,800	
	Bowling Center-Bindlach	1,450	
	Bowling Center-Darmstadt	2,600	
	Youth Center-Dexheim	660	
	Guest House-Frankfurt	1,800	
	Bowling Center-Friedberg	1,200	
	Expand Shop Ctr-Fuerth	9,100	
	Sports Complex-Garlstedt	770	
	Rec Facility-Goeppingen	2,750	
	Hausberg Ski Center	2,300	
	Bowling Center-Mainz	2,600	
	Aud/Photo Ctr-Mannheim	1,300	
	Bowling Ctr-McPheeters	900	
	Commissary-Stuttgart	4,450	
	Comm/Whse-Stuttgart	6,000	
	Exp Main Ex-Schweinfurt	2,550	
	Outdoor Rec Cplx-Vilseck	1,750	
	Community Park-Worms	600	
	Bowling Center-Kitzingen	3,200	
Italy - Vicenza	Outdoor Equipment Center	600	

Installation	Project	Cost ($000)	HASC Action
Army (continued)			
Korea - Various	Bowling Center-Casey	1,100	
	Multipurpose Field-Casey	1,000	
	Bowling Center-Greaves	1,100	
	Youth Center-Hialeah	650	
	Bowling Center-Hovey	1,000	
	Bowling Center-Howze	900	
	Multipurpose Field-Market	620	
	Bowling Center-Red Cloud	1,200	
	Main Exchange-Red Cloud	1,800	
	Entertain Wkshop-Stanley	750	
	Rec Billeting-Walker	800	
	Commissary-Yongsan	11,400	
	Car Care Center-Yongson	1,700	
	Multipurpose Field-Stanton	610	
Fort Clayton, Panama	Ballfields Complex	500	Denied
Various Locations	Burger King	21,000	Denied*
		94,510	
	Total - Army	219,580	
	NAVY		
NAS Barbers Point, HI	Hobby Shop	1,700	
NAS Corpus Christi, TX	Enlisted Mess	1,135	
NAS Dallas, TX	Bowling/Amusement Ctr	950	
FCTC Dam Neck, VA	Consol Enlisted Mess	3,100	
NCBC Gulfport, MS	Navy Lodge	723	
NAS Jacksonville, FL	Exchange Complex	5,900	
NAS Kingsville, TX	Navy Exchange	1,400	
NAS Merietta, GA	Racquetball Cout Complex	660	
NSB New London, CT	Indoor Playing Courts	960	
NS Norfolk, VA	Navy Lodge Addition	7,400	
	Commissary Store	5,700	
NSY Norfolk, VA	Navy Exchange	2,900	
NAS North Island, CA	Golf Clubhouse	1,400	
NAS Oceana, VA	Golf Clubhouse	870	Denied
	Commissary Addition	3,200	
NS San Diego, CA	Commissary Store	6,900	
NAS Whiting Field, FL	Exchange Retail Store	1,600	
		46,498	
Outside U.S.			
NAS Bermuda	Exchange Conven Store	500	
	Enlisted Mess	1,200	
Naval Act, London	Youth Center	570	Denied
		2,270	
	Total - Navy	48,768	

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* Denied 3 projects

Installation	Project	Cost ($000)	HASC Action
	MARINE CORPS		
Inside U.S.			
MCB Camp Lajeune, NC	Exchange	1,197	
	Enlisted Club	1,800	
MCB Camp Pendleton, CA	Upgrade Main Exchange	2,000	
	Auto Service Add	1,098	
	Playing Courts	554	
	Handball Courts	800	
MCRD San Diego, CA	Exchange Warehouse	2,000	
MCAS Tustin, CA	Upgrade Exchange	574	
	SNCO Club/Dining	1,200	Denied
MCAGCC Twentynine Palms, CA	Branch Exchange	2,010	
	Commissary Addition	3,200	
		16,433	
Outside U.S.			
MCB Camp Butler, Okinawa	EM Club Add - Futenma	1,400	
	Enlisted Club - Hansen	1,000	
	SNCO Club Add - Courtney	600	
	Bowling Ctr - Courtney	1,800	
	EM Club Add - Camp Schwab	760	
MCAS Iwakuni, Japan	Enlisted Club Add	1,000	
	Handball Courts - Fuji	500	
		7,100	
	Total - Marine Corps	23,533	
	AIR FORCE		
Inside U.S.			
Andrews AFB, MD	Commissary Addition	2,650	
Bangor IAP, ME	Commissary	1,700	
Bergstron AFB, TX	Main Exchange-Add/Alt	2,200	
	Commissary Addition	3,800	
Carswell AFB, TX	Main Exchange-Add/Alt	1,800	
	Bowling Center-Add/Alt	1,150	
Castle AFB, CA	Commissary Warehouse Addition	1,200	
Davis-Monthan AFB, AZ	Youth Center	1,200	
Dobbins AFB, GA	Exchange Shopping Ctr	1,800	
Dyess AFB, TX	Commissary Warehouse Add	1,400	
East Coast Dist Ctr Newport News, VA	Exchange Distrib Ctr	40,000	
Fairchild AFB, WA	Shopping Center	5,100	
	Branch Exchange	650	
Goodflllow AFB, TX	Hobby/Auto Center	780	
Hickam AFB, Hi	Branch Exchange-Add/Alt	1,200	
	Youth Center	1,850	
Hill AFB, UT	Shopping Center-Add/Alt	2,400	
Keesler AFB, MS	Main Exchange - Add/Alt	1,750	

Installation	Project	Cost ($000)	HASC Action
Air Force (continued)			
Kirtland AFB, NM	Main Excahnge - Add/Alt	3,000	
MacDill AFB, FL	Main Exchange - Add/Alt	510	
Mather AFB, CA	Convenience Store	710	
McChord AFB, WA	NCO Club-Add/Alt	820	
Minneapolis-St. Paul, MN	Multi Physical Fitness	610	Denied
Nellis AFB, NV	Commissary	4,200	
Norton AFB, CA	Commissary	8,700	
Patrick AFB, FL	Athletic Field	560	
Peterson AFB, Co	Main Exchange-Add/Alt	2,300	
	Commissary	2,950	
Randolph AFB, TX	Main Exchange - Add/Alt	1,800	
Twin Cities AFS, MN	Exchange Shopping Ctr	1,970	
Tyndall AFB, FL	Marina	660	
Williams AFB, AZ	Convenience Store	630	
Various Locations	Burger King (40)	25,645	
		131,945	
Outside U.S.			
Lajes Field, Azores	Commissary	8,500	
	Temp Lodging Fac	1,350	
Ramstein AFB, GE	Main Excahnge - Add/Alt	1,000	
	Off Open Mess - Add/Alt	3,000	
Rhein-Main AB, GE	Auto & Crafts Dev Ctr	1,100	
Sembach AB, GE	Auto Skill Dev Ctr	800	
	NCO Club - Add/Alt	1,300	
Andersen AFB, Guam	Skill Def Ctr	1,500	
	Temp Lodging Fac	3,350	Denied
Aviano AB, Italy	Concessions Mall	740	
Misawa AB, Japan	Bowling Center	4,100	
Camp Kinser, Okinawa	Cold Stroage	1,700	
Kadena AB, Okinawa	Four Seasons/Toyland	2,600	
Clark AB, RP	Softball Field Complex	730	
Zaragoza AB, Spain	Commissary	1,750	Denied
RAF Alconbury, UK	Youth Center	1,150	
	Commissary	8,100	
RAF Bentwaters, UK	Main Exchange - Add/Alt	3,900	
	Enlist Open Mess-Add/Alt	2,200	
RAF Lakenheath, UK	Auto Skill Dev Center	1,050	
RAF Upper Heyford, UK	Temp Lodging Fac	1,900	
Various Locations	Burger Kings	10,302	Denied*
		62,122	
	Total - Air Force	194,067	

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* Denied 41 projects

ARCHITECT AND ENGINEER LIABILITY

Question. Provide for the record the recent history of Architect and Engineer Settlements covering fiscal year 1982 through fiscal year 1986. Show the number of actions, the amount sought and the amounts obtained.

Answer. The recent history of architect engineer liability claims and settlements is as follows:

[Dollar amounts in millions]

	1982		1983		1984		1985		1986[1]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Actions	77	5.282	85	3.432	123	2.993	133	5.505	68	1.14
Settlements	17	0.129	57	1.130	104	0.679	59	1.392	13	0.239

[1] First quarter only.

DEFINITION OF THIRTY-FIVE PERCENT DESIGN

Question. Provide for the record the DoD definition of "35% design."

Answer. Thirty-five percent design means that the designer has established the basic features, materials, systems and related costs necessary to meet the functional requirements of a facility. The design and cost estimate must, as a minimum, have been reviewed and revised as necessary by the design manager. Thirty-five percent design consists of, but is not limited to:

a. Thirty-five percent preliminary drawings, including such elements as site plans, architectural floor plans, building sections, finish schedule, and general preliminary mechanical and electrical system layouts, capacities and sizes.

b. Outline Specifications.

c. Basis of design, to include such items as design assumptions, calculations, economic analysis and energy conservation.

d. Thirty-five percent preliminary cost estimate, developed on a unit cost system basis from the preliminary design and specifications. Lump sum costing should be kept to a minimum.

Standard Designs. For a site adaptation of an existing design or a standard design, site engineering and a cost estimated based on that site and the adapted design are required to meet the criteria for 35% design.

Turnkey Contracts. Projects which are to be contracted using such methods as one step procurement need not be 35% in accordance with the preceding paragraphs, but they must have the most reliable cost estimate available and be awardable during the fiscal year for which funds are requested.

UNOBLIGATED BALANCES

Question. Provide for the record the unobligated balances in the planning and design account for each Service in fiscal year 1985.

Answer. The Services reports of unobligated balances in the planning and design (P&D) account at the end of fiscal year 1985 consist of:

(1) Funds unreserved, uncommitted and unobligated.

(2) Funds reserved against design contracts, but not obligated as of 30 Sept 1985.

(3) Funds reserved for active in-house designs and administration, review and supervision of A–E design contracts, but not obligated as of 30 Sept 1985.

Item (2) includes funds reserved (set aside) for new design contracts in the negotiation stage and design options to on-going design contracts. During fiscal year 1985, the Services had to delay exercising contract options to complete final designs due to lack of P&D funds. Subsequent reprogramming actions provided additional funds, but these funds were received too late in the fiscal year to permit total obligation prior to 30 Sept 1985.

Item (3) reflects a change in the Corps of Engineers accounting procedures. Prior to the 4th quarter of fiscal year 1985, the Corps had obligated all in-house personnel costs for the life of the design at the time the design contract was signed or in-house designs were initiated. A review of GAO Titles and Army regulations indicated that these procedures were not correct: Personnel costs may only be obligated for the month during which they are to be expended. This necessitates a flash deobligation of all unexpended personnel costs at the end of each month and reobligation at the beginning of the next month. The resulting change in obligation procedures created a large unobligated balance on 30 September 1985 that was in reality dedicated to active project designs. The Corps of Engineers has changed their allocation procedures to more efficiently utilize available funds and preclude the large unobligated balance at the end of the fiscal year.

The unobligated balances for each Service, as defined above, are as follows:

[In millions of dollars]

	(1)	(2)	(3)	Total
Army	10.2	14.6	34.0	58.8
Navy	0.6	1.0	....	1.6
Air Force	8.9	20.5	13.0	42.4

LOST DESIGN

Question. How much in lost design occurred in fiscal year 1985 for each Service?

Answer. Army, $5,839,000; Navy, $3,324,000; Air Force, $5,491,000.

Question. How much breakage and deferred design occurred in fiscal year 1985 for each Service?

Answer. Army, $2,824,000; Navy, $1,600,000; Air Force, $1,457,000.

PLANNING AND DESIGN LISTINGS

Question. Provide for the record a detailed project listing, by Service, of all projects included in the fiscal year 1987 planning and design request. This listing should include project scope or square footage, estimated cost and estimated cost of design.

Answer. The 1987 planning and design request is for funds that will be used to design projects that will be submitted for appropriation in the fiscal year 1988 and 1989 programs. At this time, the President's budgets for fiscal years 1988 and 1989 have not been finalized. Therefore, we can only provide a list which has been used for planning and budget forecast purposes.

Design costs vary as to complexity and size of each project. We do not determine annual design requirements based on individual project design cost basis. It is based on future total program dollar cost.

The following pages list those projects used to forecast the planning and design funds requirements.

DEPARTMENT OF ARMY
FY 1988 MCA Program Planning & Design Fund Project Listing
Projects for which final design is planned to be obligated in FY 1987

STATE STATION	Project Description	Scope	Unit Meas	Estimated Cost ($ 000)	Estimated Design Cost ($ 000)
Alabama					
Anniston Army Depot	AMMO DEMILITARIZATION FAC	57,460	SF	15,600	620
Anniston Army Depot	AMMO STORAGE SECURITY	594	BX	2,180	80
Anniston Army Depot	CHEMICAL AREA SECURITY	34,772	LF	4,640	180
Fort McClellan	DECON APPARATUS FACILITY			2,870	110
Fort McClellan	BOQ - PERM PRTY			8,240	320
Fort McClellan	CONSOL FIELD MAINT SHOP	98,000	SF	9,290	370
Fort McClellan	MOUT FACILITY	1	EA	1,600	60
Fort Rucker	CHILD DEV & REL ED FAC	53,925	SF	5,510	220
Fort Rucker	TNG DEVICE/SOFTWARE SPT FA	32,527	SF	2,080	80
Fort Rucker	BOQ - LTS AVIATION BR	200	PN	6,160	240
Fort Rucker	FLIGHT SIMULATOR BLDG-ACAT	14,355	SF	1,840	70
Redstone Arsenal	BATTALION HEADQUARTERS	14,838	SF	1,200	40
Redstone Arsenal	HEADQUATERS BLDG BMDO	150,000	SF	23,570	940
Alaska					
Fort Greely	R&D ADMIN BLDG	38,800	SF	4,620	180
Fort Wainwright	UH-60 FLT SIM BLDG-LID	20,000	SF	3,760	150
Arizona					
Fort Huachuca	FLIGHT SIMULATOR BLG			6,690	260
Fort Huachuca	FIRE STATION-2 STALL	6,448	SF	790	30
Fort Huachuca	MEDICAL SUPPLY WAREHOUSE	20,000	SF	1,090	40
Fort Huachuca	INST BLDG EXP	6,720	SF	850	30
Yuma Proving Ground	AIR CARGO TEST PREP CMPLX	53,200	SF	9,480	370
Belgium					
Belgium Various	MULTI-PURPOSE REC-GROBBEN			770	30
California					
Fort Hunter Liggett	WATER SUPPLY & DISTR SYS	1,400	KG	1,000	30
Fort Hunter Liggett	UPGRADE AMMO SUP POINT	600	SF	610	20
Fort Irwin	SELF SERV SUPPLY CTR	32,000	SF	2,440	90
Fort Irwin	CIV PERSONNEL BLDG	5,000	SF	570	20
Fort Irwin	WATER DEV LANGFORD	10,000	KG	4,360	170
Fort Ord	MAINT HANGAR AVUM			9,120	360
Fort Ord	BN HDQTRS BLDGS (7) ADDN'S	360	PN	7,140	280
Fort Ord	CHILD CARE CENTER	144,310	SF	3,140	120
Fort Ord	TERMINAL EQUIPMENT BLDG	2,000	SF	580	20
Fort Ord	AMMO STORAGE RELOCATION	24,000	SF	7,350	290
Oakland Army Base	ADP FACILITY			4,730	180
Presidio of San Francisco	MODIFICATIONS TO LAIR	354,144	SF	2,310	90
Sierra Army Depot	RECREATION CENTER	15,850	SF	1,730	60
Colorado					
Fort Carson	BARRACKS MODERNIZATION	624	PN	7,130	280
Fort Carson	AUTOMATED RECORD FIRE RNG	1	EA	980	30
Fort Carson	TACT EQUIP SHP	29,172	SF	7,060	280
Fort Carson	RANGE IMPROVEMENT (109)	1	EA	2,160	80
Fort Carson	UNIVERSAL MIL TRNG COMPLEX		LS	7,880	310
Fort Carson	FLIGHT SIMULATOR BUILDING	8,300	SF	2,190	80

DEPARTMENT OF ARMY
FY 1988 MCA Program Planning & Design Fund Project Listing
Projects for which final design is planned to be obligated in FY 1987

STATE STATION	Project Description	Scope	Unit Meas	Estimated Cost ($ 000)	Estimated Design Cost ($ 000)
Colorado					
Pueblo Depot Act	INTRUSION ALARM SYS		LS	3,440	130
Rocky Mt Arsenal	BASIN F CLOSURE-WPC		LS	26,700	1,060
District of Columbia					
Walter Reed Army Med Ctr	CHILD CARE CENTER	9,500	SF	1,070	40
Georgia					
Fort Benning	TRAINEE BARRACKS NO 10			28,460	1,130
Fort Benning	BARRACKS COMPLEX	992	PN	22,630	900
Fort Benning	RNGR REG HQ BLDG/SCIF	20,261	SF	2,680	100
Fort Benning	RGR RIGGER FAC/HANGAR	36,000	SF	3,270	130
Fort Benning	RGR TACT EQUIP SHOP	6,160	SF	2,310	90
Fort McPherson	ARMY HQ BLDG SEC UPGRADE	1,116	LF	1,210	40
Fort Stewart	TACT EQUIP SHOP-24ID	3,273	SF	910	30
Fort Stewart	CO ADMIN & SUPPLY-HAAF	448	SF	2,650	100
Fort Stewart	UNIT CHAPEL	8,550	SF	1,100	40
Germany					
Germany Various	FAC MOD PH II-MANN/SULL			9,050	360
Germany Various	UG POL FAC-LUDWIGSBURG		LS	5,440	210
Germany Various	CHAPEL-MIESAU	10,355	SF	1,240	40
Germany Various	POL STORAGE-VILSECK		LS	3,410	130
Germany Various	AMMO STORAGE-VILSECK	25,800	SF	1,780	70
Germany Various	TACT EQUIP SHOP-VILSECK			1,030	40
Germany Various	AMMO SURV-MUENSTER	18,950	SF	4,240	160
Germany Various	FAC MOD II-MAINZ			10,180	400
Germany Various	FAC MOD 6-NUERNBERG	168,420	SF	8,880	350
Germany Various	PHYS FIT CTR-SCHWAB GMD			1,270	50
Germany Various	TACT EQUIP SHOP-HOHFLS	9,400	SF	1,700	60
Germany Various	BN HQ & CLSRM-VILSECK	10,485	SF	940	30
Germany Various	TACT EQUIP SHOP-GIESSEN	19,344	SF	4,170	160
Germany Various	EMCS-HOHENFELS		LS	760	30
Germany Various	VEH MAINT FAC/HSTD-BAYRTH			1,030	40
Germany Various	CBT AVN COMPLX-II-WIESBDN	84,103	SF	18,300	730
Germany Various	DEH FACILITY-7ATC	94,660	SF	8,240	320
Germany Various	TACT EQUIP SHOP-VILSECK	39,949	SF	4,370	170
Germany Various	UNIT MAINT HGR-WIESBADEN	61,500	SF	6,130	240
Germany Various	BARRACKS COMPLEX-FULDA	353	PN	5,220	200
Germany Various	CL I STG FAC-GRAFNWR		LS	6,270	250
Germany Various	TACT EQUIP SHOP-WEISBADEN	11,884	SF	1,340	50
Germany Various	TACT EQ SHOP ORG-WIESBADEN	10,000	SF	1,340	50
Germany Various	HARDSTAND - WIESBADEN	41,656	SY	1,330	50
Germany Various	BN HQ - WUERZBURG	12,330	SF	1,120	40
Germany Various	MULTI-PURP AUDITORIUM-7ATC	17,200	SF	2,540	100
Germany Various	PLT SUBCAL/MANU RG-TENNENL	1	EA	1,910	70
Germany Various	OPERATIONS CTR (HARDENED)	5,500	SF	1,990	70
Germany Various	WASHRACK		LS	2,350	90
Germany Various	DINING FACILITY-VILSECK		LS	1,550	60

DEPARTMENT OF ARMY
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STATE STATION	Project Description	Scope	Unit Meas	Estimated Cost ($ 000)	Estimated Design Cost ($ 000)
Germany					
Germany Various	ARMY CONT EDUCATION CTR	14,321	SF	600	20
Germany Various	OPFR BLDG-VILSECK	63,666	SF	4,890	190
Germany Various	FINANCE CTR-7ATC	16,960	SF	680	20
Germany Various	LIBRARY-7ATC	14,321	SF	810	30
Germany Various	CHILD CARE CTR-NUERNBERG H	9,650	SF	870	30
Germany Various	IGLOO STORAGE ADDN-SCHWEIN	5,684	SF	1,090	40
Germany Various	PERSHING SITE II UPGRADES			1,030	40
Germany Various	PERSHING SITE II UPGRADES			890	30
Germany Various	PERSHING SITE II UPGRADES			4,330	170
Germany Various	TCPC RANGE - FRIEDBURG	1	EA	1,170	40
Germany Various	EXPAND HELIPORT-LANDSTUHL	31,500	SY	2,110	80
Germany Various	COMBAT AV COMP-SCHWAEBISCH	38,000	SF	15,220	600
Germany Various	FIELD BIVOUAC FACS-WILDFIN	1,200	PN	4,710	180
Germany Various	POL OPN STG-SICKELS		LS	1,230	40
Germany Various	FAC MOD PH II-KITZ/LARSON			8,950	350
Germany Various	BN HQ ADDN-VILSECK	8,738	SF	730	20
Germany Various	TACT EQUIP SHOP-VILSECK	36,400	SF	9,810	390
Germany Various	TACTICAL EQUIPMENT SHOP	47,500	SF	11,070	440
Germany Various	MIL CLOTHING SALES		LS	770	30
Germany Various	VEH MAINT SHOP-TWISTEDEN	15,328	SF	1,610	60
Germany Various	VEH MAIN SHOP ORG-GIESSEN	27,650	SF	9,870	390
Germany Various	VEH MAINT SHOP ORG-RAY	27,500	SF	6,170	240
Germany Various	BARRACKS-CAMP MAY	174	PN	1,650	60
Germany Various	BARRACKS - 7ATC	372	PN	7,850	310
Germany Various	FAC MOD PH II-RHEINLAND	36,817	SF	6,340	250
Germany Various	READY BLDG-CP REED	18,000	SF	1,000	30
Germany Various	AMMO STORAGE- CP GATES	3,450	SF	810	30
Germany Various	VEH MAIN SHOP-AYERS	55,300	SF	9,390	370
Germany Various	MAINT FAC-DALEY		LS	8,370	330
Germany Various	HARDSTAND(FSB)-COLEMAN	38,800	SY	4,050	160
Germany Various	MAINT FAC-READY	49,792	SF	6,740	260
Germany Various	VEH MAINT SHOP ORG-HARVEY	142,220	SF	4,040	160
Germany Various	FAC MOD PHIV-BAMBERG	198,670	SF	16,310	650
Germany Various	OPFOR UTIL SUPP (NAINHOF)	6,350	SF	12,600	500
Germany Various	PARKING AREA ORG-DAENNER	10,407	SY	790	30
Germany Various	HARDSTAND-HANAU	52,334	SY	3,030	120
Germany Various	HARDSTAND		LS	690	20
Germany Various	BARRACKS W/A&S		LS	9,100	360
Germany Various	OPFOR UTIL SUPP (POELIN)	1,988	SF	2,420	90
Germany Various	TACT SHOP-BAUMHOLDER	128,791	SF	7,700	300
Germany Various	FAC MOD-MUENSTER	24,834	SY	2,130	80
Germany Various	HARDSTAND-WILDFLEC	65,512	SY	7,270	290
Germany Various	LOG WHSE & FACS	18,350	SF	1,100	40
Germany Various	FAC MOD III-COLEMAN	54,450	SF	19,920	790
Germany Various	AMMUNITION RENOV SHOP	16,728	SF	3,440	130

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Germany					
Germany Various	FAC ENGR SHP MOD-REICHEL	72,932	SF	3,660	140
Germany Various	FAC MOD PH I -LUDWIG	61,597	SF	7,930	310
Greece					
Greece Various	COMMUNICATIONS FAC-ELEFSIS	3,500	SF	680	20
Hawaii					
Fort Shafter	BARRACKS MODERNIZATION	216	PN	7,190	280
Hawaii Various	POWER UPGRADE	6,250	KV	7,540	300
Hawaii Various	LIFE/SAFETY/FIRE UPGRADE	1	BX	4,260	170
Schofield Barracks	SNIPER TR RANGE			700	20
Schofield Barracks	SAW RANGE			770	30
Schofield Barracks	COLD/DRY STGE WHSE	60,785	CF	7,300	290
Schofield Barracks	CHILD CARE W/REL ED FAC	36,507	SF	4,140	160
Schofield Barracks	MULTIPURPOSE RANGE	1	EA	10,160	400
Illinois					
Fort Sheridan	DINING FACILITY MOD-SHRDN		LS	500	10
Fort Sheridan	GENERAL PURPOSE WAREHOUSE	15,200	SF	740	20
Fort Sheridan	CHILD DEVELOPMENT CENTER	7,000	SF	1,980	70
Rock Island Arsenal	CHILD CARE CENTER	5,800	SF	610	20
Indiana					
Fort Benjamin Harrison	LIBRARY/ACES CENTER	40,000	SF	3,930	150
Fort Benjamin Harrison	WINDOW TREATMENT (ECIP)		LS	620	20
Fort Benjamin Harrison	BARRACKS COMPLEX	352	PN	5,860	230
Fort Benjamin Harrison	FIRE STATION	8,536	SF	830	30
Italy					
Italy Various	CARE & PRESER BLDG-LIVORNO		LS	2,210	80
Italy Various	UTIL SYS REN-CP DARBY		LS	940	30
Japan					
Japan Various	RELOCATE FIELD OFFICES	20,583	SF	2,160	80
Japan Various	Warehouse-Kawakami	30,000	SF	3,300	130
Japan Various	ROADS-AKIZUKI	25,060	SY	1,300	50
Japan Various	MODERNIZE ROADS-KAWAKAMI	33,206	SY	2,140	80
Japan Various	AMMUNITION STORAGE	50,900	SF	7,680	300
Kansas					
Fort Leavenworth	FIRE STATION	7,500	SF	830	30
Fort Riley	DINING FACILITY MOD-RILEY	360	PN	550	20
Fort Riley	FLIGHT SIMULATOR	22,400	SF	2,110	80
Fort Riley	ARMS STORAGE FAC	9,600	SF	490	10
Fort Riley	MULTI-PURP TNG RNG	1	EA	1,400	50
Kentucky					
Fort Campbell	UNIT CHAPEL	8,600	SF	1,190	40
Fort Campbell	HANGAR-SOCOM	59,275	SF	4,940	190
Fort Campbell	MAINT SHOP (DS)	113,194	SF	12,910	510
Fort Campbell	VECHICLE MAINT COMPLEX	27,059	SF	4,590	180
Fort Knox	TANK DRIVER FACILITY		LS	2,820	110
Fort Knox	PHYSICAL FITNESS CENTER	45,540	SF	4,490	170

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Kentucky					
Fort Knox	DINING FACILITY MOD-KNOX			2,100	80
Fort Knox	DINING FACILITY MOD-KNOX			2,130	80
Fort Knox	REGT CHAPEL			1,100	40
Fort Knox	TEST AND EVALUATION FC M1			6,080	240
Lexington-Blue Grass Dep Act	AMMO DEMILITARIZATION FAC	36,000	SF	16,180	640
Lexington-Blue Grass Dep Act	CHEMICAL SECURITY IDS		LS	2,320	90
Korea					
Korea Various	BARRACKS	178	PN	2,680	100
Korea Various	AFE FACILITIES-WALKER	56,660	SF	3,130	120
Korea Various	DEPOT WHSE-PUSAN	60,000	SF	4,050	160
Korea Various	FAC ENGR FAC-K16	7,994	SF	620	20
Korea Various	INSTRUCT/THEATER BLDG-K16	3,500	SF	360	10
Korea Various	MOUT FACILITY- CASEY	1	EA	220	0
Korea Various	COMMO REVETMENTS-BEASON	837	LF	820	30
Korea Various	PHYS FITNESS CTR-KYLE	20,711	SF	1,740	60
Korea Various	ELEC/WIR/SWGE-CP MARKET		LS	1,310	50
Korea Various	ADP FACILITY-YONGSAN	42,995	SF	3,770	150
Korea Various	WSD-K COMPLEX-CP PAGE	15,523	SF	1,360	50
Korea Various	BARRACKS-CP SWISS/SWEDE	16	PN	1,360	50
Korea Various	SCIF MOD-YONGSAN	24,674	SF	2,920	110
Korea Various	BARRACKS-HENRY	662	PN	6,560	260
Korea Various	COMMO SITE REVET-YONGSAN		LS	1,020	40
Korea Various	SAACT THREE FAC-CP PAGE	9,694	SF	900	30
Korea Various	AMMO BUNKER-CP CASEY		LS	1,410	50
Korea Various	CENTRAL STEAM PLANT K16	32	MB	1,910	70
Korea Various	AMMO BUNKER-CP HOVEY		LS	690	20
Korea Various	BARRACKS-MARKET	114	PN	1,420	50
Korea Various	CO ADMIN FAC-KITTY HAWK	12,345	SF	940	30
Korea Various	DS MAINT SHOP DIO-CARROL	67,550	SF	4,380	170
Korea Various	COMMAND/CNTRL BLDG-YONGSAN	44,784	SF	3,480	130
Korea Various	BARRACKS-HUMPHREYS	144	PN	2,690	100
Korea Various	BATTALION HQTS BLDG-PAGE	35,500	SF	560	20
Korea Various	NCO/BOQ - PELHAM	178	PN	2,780	110
Korea Various	BARRACKS-JACKSON	260	PN	3,880	150
Korea Various	TACT MAINT FACILITY-WALKER	20,724	SF	2,850	110
Korea Various	BARRACKS-RED CLOUD	248	PN	3,990	150
Korea Various	BARRACKS-HUMPHREYS	632	PN	7,200	280
Korea Various	BARRACKS-INDIAN	144	PN	1,940	70
Korea Various	TACT MAINT FAC-MERCER	20,797	SF	2,020	80
Korea Various	IMP VEHICLE MAINT-PAGE	6,383	SF	870	30
Korea Various	SEBQ - MERCER	144	PN	1,480	50
Korea Various	CL I WAREHOUSE-YONGSAN	17,600	SF	750	20
Korea Various	VEHICLE OVER PASS - YONGSA	475	SY	900	30
Korea Various	NBC TRAINING FAC - YONGSAN	88	SF	590	20
Korea Various	SPEC TROOPS CMD HQ-YONGSAN	23,240	SF	1,840	70

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Korea					
Korea Various	CMD/CTRL BLDG-YONGSAN	24,000	SF	1,660	60
Korea Various	BARRACKS-PAGE	488	PN	7,200	280
Korea Various	WATER/SEWER-HUMPHREYS	220	KG	970	30
Korea Various	INF SQD BTL CRSE-GREAVES	1	EA	720	20
Korea Various	HG/CLAYMORE TNG CTR - GREA	1	EA	570	20
Korea Various	SNIPER/KD RANGE WATKINS	1	EA	1,440	50
Korea Various	CHAPEL CENTER-CARROLL	10,875	SF	1,550	60
Korea Various	NCO/BOQ - EDWARDS	208	PN	2,910	110
Korea Various	NCO/BOQ - GREAVES	184	PN	2,450	90
Korea Various	NCO/BOQ - SEARS	100	PN	1,670	60
Korea Various	CHILD CARE CENTER-TAEGU	23,625	SF	2,020	80
Korea Various	CLD STG PLT EXT-RSN ST FAC	95,000	CF	2,280	90
Korea Various	BARRACKS-H220	288	PN	3,750	140
Korea Various	BARRACKS-HOWZE	344	PN	6,080	240
Korea Various	BARRACKS-HOVEY	912	PN	13,210	520
Korea Various	BARRACKS-STANTON	28	PN	940	30
Korea Various	BARRACKS-CASEY	1,896	PN	27,900	1,110
Korea Various	BARRACKS-CASTLE	191	PN	3,100	120
Korea Various	BARRACKS-HIALEAH	321	PN	10,060	400
Korea Various	DINING FACILITY-CASEY	990	PN	2,520	100
Korea Various	BARRACKS-NIMBLE	135	PN	1,930	70
Korea Various	MK19 RANGE	1	EA	590	20
Korea Various	HELIPORT FAC-YONGSAN	3,700	SF	1,610	60
Korea Various	UNDERGRND DTOC/SCIF-CASEY	9,450	SF	3,210	120
Korea Various	CMD POST UPGRADE-TANGO	22,325	SF	2,810	110
Korea Various	BARRACKS-CP STANLEY	324	PN	9,340	370
Korea Various	BARRACKS- GARY OWEN	72	PN	1,030	40
Korea Various	COMMUNITY FAC-CP LONG	56,525	SF	5,230	200
Korea Various	CONCESS/CLUB FAC-CP LONG	36,406	SF	2,910	110
Korea Various	CONCESS/CLUB FAC- CP R-222	18,800	SF	2,280	90
Korea Various	COMMUNITY FAC-CP R-222	17,700	SF	3,720	140
Korea Various	TACT MAINT FAC-LONG	20,000	SF	840	30
Location 177	EACIC FACILITY			4,240	160
Location 177	BOQ ADD LOC 177	40	PN	1,520	60
Kwajalein					
Kwajalein Various	WASTEWATER COLLECT UPGR	28,300	LF	2,130	80
Kwajalein Various	REPLACE POWER PLANTS	20,000	KV	27,930	1,110
Kwajalein Various	POWER PLT ENNYLABEGAN			1,500	50
Kwajalein Various	RANGE TECHNICAL FACS	3,600	SF	1,060	40
Kwajalein Various	AIR CUSH VEH SUP FACS	10,000	SF	4,420	170
Kwajalein Various	HANGAR HELICOP MAINT	10,000	SF	4,330	170
Kwajalein Various	MULTI-STATIC MEAS SYS	2,800	SF	1,240	40
Louisiana					
Fort Polk	MOUT RANGE	1	EA	6,320	250
Fort Polk	CENTRAL WASH FACILITY MOD		LS	770	30

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Louisiana					
Fort Polk	DEPLOYMENT STORAGE BLDG (6	23,100	SF	930	30
Fort Polk	MULTIPURPOSE RANGE UPGRADE	1	EA	10,750	420
Maryland					
Aberdeen Proving Ground	METAL WORKING TNG BLDG	83,197	SF	7,810	310
Aberdeen Proving Ground	TOXICOLOGY RESEARCH FAC	103,530	SF	16,220	640
Aberdeen Proving Ground	CLIMATIC TEST FAC	9,775	SF	4,450	170
Aberdeen Proving Ground	FIRING BARRICADE FAC	25,246	SF	5,370	210
Aberdeen Proving Ground	MOD ACRFT VULNBTY TEST FAC		LS	5,010	200
Fort Meade	CIDC CRIME RECORD CTR	25,000	SF	1,690	60
Fort Meade	RGN HQ/CID FLD OP BLDG	20,600	SF	1,630	60
Fort Meade	DINING FACILITY MOD-MEADE	245	PN	560	20
Fort Meade	DINING FACILITY MOD-MEADE	245	PN	570	20
Fort Meade	CHILD CARE CENTER	46,000	SF	5,210	200
Fort Meade	DINING FACILITY MOD-MEADE	245	PN	560	20
Fort Ritchie	SECURITY BLDG & FENCING	3,426	SF	1,790	70
Fort Ritchie	POWER REL ENH PRG		LS	9,880	390
Fort Ritchie	REPLACE DOMESTIC RESERVOIR	2,500	KG	3,270	130
Harry Diamond Lab	ERADCOM/HDL COMPUTER CTR	49,100	SF	6,950	270
Massachusetts					
Fort Devens	BURNER MODIF TO BOILER-ECI		LS	720	20
Michigan					
Detroit Arsenal	REAL PROPERTY ACQ	13	AC	3,150	120
Missouri					
Fort Leonard Wood	VEH DRV/MECH APPL INST FAC			11,840	470
Fort Leonard Wood	TRAINING AIDS CTR CSJF 234	38,200	SF	11,370	450
Fort Leonard Wood	LIBRARY NEW CSJF234	61,272	SF	4,900	190
New Jersey					
Bayonne Mil Ocean Term	CHILLED WATER SYS-ECIP		LS	890	30
Bayonne Mil Ocean Term	ADP FACILITY	8,500	SF	1,540	60
Fort Dix	CIDC FIELD OPERATIONS BLDG	8,360	SF	980	30
Fort Dix	QUAL/FAMILIAR RANGE UPGR	7	EA	6,590	260
Fort Monmouth	PHYSICAL FITNESS CENTER	35,000	SF	5,110	200
Fort Monmouth	IMP ELEC SUBSTATIONS	38,500	KV	6,140	240
Fort Monmouth	SATCOM TEST/TRNG LAB	20,560	SF	5,750	220
New York					
Fort Hamilton	CHILD DEV CENTER	5,435	SF	750	20
U S Military Academy	EISENHOWER HALL RENOV	23,375	SF	1,230	40
U S Military Academy	MOD & EXPAND ACAD FACS-III	76,500	SF	6,630	260
U S Military Academy	UPGRADE SCOTT BARRACKS	458	PN	11,880	470
Watervliet Arsenal	ARCH STRUC MOD		LS	7,500	290
North Carolina					
Fort Bragg	ACADEMIC FAC	110,400	SF	14,190	560
Fort Bragg	BARRACKS W/AS	328	PN	5,550	220
Fort Bragg	HDQTRS 1ST SOCOM	126,000	SF	12,730	500

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North Carolina					
Fort Bragg	OPERATIONS COMPLEX-SOCOM	45,559	SF	5,080	200
Fort Bragg	AUTO MARKSMAN RANGE	1	EA	570	20
Fort Bragg	PARACHUTE RIG FAC UPGRADE	32,550	SF	800	30
Fort Bragg	AVN BRG HQ COMPLEX	51,455	SF	7,010	280
Fort Bragg	CO ADMIN & SUPPLY (15)	55,125	SF	3,950	150
Fort Bragg	AVN MAINT HGR (3)	420,176	SF	41,590	1,660
Fort Bragg	AVN TACT EQUIP SHOP (3)	40,768	SF	6,320	250
Fort Bragg	INF PLTN BATTLE COURSE		LS	780	30
Fort Bragg	TANK GUN W/MOV TARGET	2	EA	1,380	50
Fort Bragg	REPL BURNED GEN PURP WHSE	32,000	SF	1,660	60
Sunny Point Mil Ocean Term	CHASSIS STAGING AREA	116,550	SY	860	30
Oklahoma					
Fort Sill	ATC REC/FITNESS CTR	44,000	SF	4,100	160
Fort Sill	DS/GS MAINTENANCE COMPLEX	48,500	SF	5,700	220
Fort Sill	IREIS RANGES (2ND INCR)	2	EA	3,200	120
Fort Sill	BARRACKS COMPLEX			5,280	210
Oregon					
Umatilla Depot Act	INTRUSION ALARM SYS		LS	3,510	140
Panama					
Panama Area	BARRACKS MOD-FT SHERMAN	120	PN	2,070	80
Panama Canal Zo					
Fort Clayton	CHILD CARE CENTER	11,250	SF	1,330	50
Fort Gulick	CHILD CARE CENTER MOD	14,762	SF	750	20
Fort Sherman	BARRACKS MOD	80	PN	1,260	50
Pennsylvania					
Fort Indiantown Gap	AMMUNITION SUPPLY POINT		LS	570	20
Texas					
Fort Bliss	PHYSICAL FITNESS CENTER	62,000	SF	3,910	150
Fort Bliss	AMMO SUPPLY POINT IMP	17,598	SF	3,100	120
Fort Bliss	IREIS INC-2	1	EA	1,450	50
Fort Bliss	RELIGIOUS EDUCATION FAC			2,250	80
Fort Bliss	COMM CENTER	4,000	SF	950	30
Fort Hood	EN HQDS-PATRIOT	12,330	SF	1,480	50
Fort Hood	CONSOLIDATED MAINT FAC	239,167	SF	20,390	810
Fort Hood	SUB CAL RANGE, M-1/BRADLEY	2	EA	3,170	120
Fort Hood	CO-OPS & SUPPY	14,000	SF	1,760	70
Fort Hood	TAC EQUIP SHOP-15TH MI	10,000	SF	2,350	90
Fort Hood	AIRCRAFT MAIN FAC EXP	13,000	SF	3,090	120
Fort Sam Houston	UPGRADE UTILITIES	400	KG	690	20
Fort Sam Houston	MED SYST EQUIP TRAIN COM	1	EA	18,390	730
Red River Army Depot	CENTRAL DIST CENTER		LS	5,750	220
Turkey					
Location 276	RECREATION CENTER LOC 276			1,720	60
U S Various					
CONUS-Locations Unselected	VARIOUS PROJECTS - 6TH ID		LS	92,180	3,680

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U S Various					
CONUS-Locations Unselected	VARIOUS PROJECTS - 10TH ID		LS	231,730	9,260
Utah					
Dugway Proving Ground	BOQ-MOD	100	BN	3,110	120
Dugway Proving Ground	SEWAGE PUMPING STATION		LS	610	20
Dugway Proving Ground	BATTERY SHOP	6,000	SF	980	30
Dugway Proving Ground	COMBINED CHEM LAB FAC	29,120	SF	8,440	330
Dugway Proving Ground	IRRIGATION SYSTEM	1,000	LF	2,810	110
Dugway Proving Ground	GRID SERVICE BLDG	5,000	SF	830	30
Dugway Proving Ground	ENCLOSE SWIMMING POOL			530	20
Tooele Army Depot	INTRUSION ALARM SYS		LS	5,880	230
Tooele Army Depot	IND WASTE COLLECT & TREAT	200,000	KG	1,600	60
Virginia					
Arlington National Cemetery	NATL MUSEUM OF THE US ARMY	1	EA	14,140	560
Cameron Station	WIND TRMNT INSULATION-PERM		LS	630	20
Fort A P Hill	AMMO SUPPLY POINT ADD	14,300	SF	1,980	70
Fort Belvoir	ELEC DISTR/TRANSFORMER MOD		LS	3,700	140
Fort Belvoir	BOQ - 2ND INCR			2,300	90
Fort Belvoir	LAB VENTILATION	148	TN	2,080	80
Fort Belvoir	MTMC OPERATIONS BLDG	149,850	SF	12,030	480
Fort Eustis	BARRACKS MODERNIZATION			3,800	150
Fort Eustis	EMERGENCY SERVICES BLDG	19,270	SF	2,210	80
Fort Eustis	BARRACKS MOD			1,450	50
Fort Lee	BARRACKS			15,350	610
Fort Lee	QMS NCO TNG ACADEMY			2,230	80
Fort Monroe	COMMAND & CONTROL FACILITY	154,108	SF	29,810	1,190
Fort Pickett	MULTI PURPOSE RANGE COMPLE	1	EA	6,670	260
Fort Story	PUB SAFETY BLDG	10,434	SF	990	30
Vint Hill Farms Station	WAREHOUSE	15,000	SF	1,510	60
Vint Hill Farms Station	SIGNAL WARFARE LAB	111,770	SF	17,100	680
Washington					
Fort Lewis	CIDC FIELD OPERATIONS BLDG	16,635	SF	2,440	90
Fort Lewis	DINING FACILITY MOD-LEWIS	200	BN	690	20
Fort Lewis	DINING FACILITY MOD-LEWIS	300	BN	900	30
Fort Lewis	DINING FACILITY MOD-LEWIS	300	BN	910	30
Fort Lewis	TACT EQUIP SHOP - PATRIOT			7,890	310
Fort Lewis	BATTALION C&C -MI BN	22,130	SF	2,230	80
Wisconsin					
Fort McCoy	WEATHERIZE BLDGS-ECIP		LS	1,030	40
Fort McCoy	VEHICLE WASH PLATFORM		LS	5,770	230
Fort McCoy	MULTI PURPOSE RANGE	1	EA	7,670	300

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Estimated Cost = $ 1,930,730 in Thousands of Dollars

Design Cost = $ 1,930,730 X 4.00% = $ 77,229.20 in Thousands of Dollars

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Alabama					
Anniston Army Depot	OSHA DEFICIENCIES			860	20
Fort McClellan	BOQ - PERM PRTY	100	PN	3,940	110
Fort Rucker	RECORD FIRE RANGE			2,950	80
Fort Rucker	MG M60 AND M2 RANGE			1,640	40
Alaska					
Fort Greely	COAL FIRED HTG	3,200	KV	16,140	480
Arizona					
Fort Huachuca	PHYSICAL FITNESS CENTER			2,710	80
Fort Huachuca	CONSOLIDATED MAINT BLDG	30,000	SF	4,110	120
Fort Huachuca	ALCOHOL & DRUG ABUSE CTR			830	20
Yuma Proving Ground	EDUCATION CENTER & LIBRARY	14,165	SF	1,060	30
Yuma Proving Ground	ARMS/AMMO SECURITY UPGRADE	13,320	LF	770	20
Arkansas					
Fort Chaffee	WASHRACKS	9,000	SF	2,700	80
Pine Bluff Arsenal	CONTAINERIZATION FAC MOD			1,090	30
Pine Bluff Arsenal	AMMO DEMIL FAC		LS	3,180	90
California					
Fort Irwin	RANGE AFF	1	EA	1,820	50
Fort Irwin	GROUNDWATER RECHARGE	1,478,400	LF	2,570	70
Fort Irwin	CENTRAL ISSUE FAC		LS	1,410	40
Fort Irwin	LOGISTICS SUPPORT CTR-NTC			6,220	180
Fort Irwin	GROUNDWATER RECHARGE	1,478,400	LF	2,570	70
Fort Irwin	TRAINING RANGES	10	EA	800	20
Fort Irwin	TRNSP MOTOR POOL	32,975	SF	3,850	110
Fort Irwin	DIO ADMIN FAC	26,000	SF	3,090	90
Fort Irwin	CO ADMIN AND SUPPLY (3)	14,490	SF	1,380	40
Fort Ord	DS MAINT FAC 519TH	27,580	SF	5,070	150
Fort Ord	PHYSICAL FITNESS CENTER	62,000	SF	7,270	210
Fort Ord	DINING FACILITY MOD-ORD	245	PN	1,390	40
Fort Ord	ADMIN & SUPPLY CONV	10,020	SF	570	10
Fort Ord	COMPANY ADMIN & SUPPLY	28,980	SF	2,710	80
Fort Ord	RECREATION CENTER	52,000	SF	5,490	160
Fort Ord	SANITARY WASTE FACILITY	115	TN	1,620	40
Fort Ord	RECORD FIRE RANGE	1	EA	1,970	50
Fort Ord	PHYSICAL FITNESS CENTER	25,000	SF	3,260	90
Oakland Army Base	MULTIP COMMUNITY COMPLEX			4,110	120
Presidio of San Francisco	CONSOLIDATED MOTOR POOL	10,424	SF	1,420	40
Colorado					
Fort Carson	PHYS FIT CTR-HOSP	29,400	SF	4,770	140
Fort Carson	RES COMPONENT CMPLX, PH2	124,680	SF	7,160	210
Fort Carson	PHYSICAL FITNESS CENTER	66,000	SF	7,700	230
Fort Carson	HANGAR & APRON & TAXIWAY	39,778	SF	12,510	370
Fort Carson	RANGE IFV/CFV #145	1	EA	730	20
Fort Carson	INDOOR SWIM POOL			2,480	70
Fort Carson	TACT EQ SHOP ADDN	20,790	SF	4,570	130

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Colorado					
Fort Carson	RANGE IMPROVE (105)	1	EA	1,270	30
Fort Carson	RANGE IMPROV (113)	1	EA	820	20
Fort Carson	RANGE IMPROV (119)	1	EA	1,340	40
Fort Carson	VEH MAINT FAC -DISCOM	35,749	SF	7,730	230
Fort Carson	VEH MAINT FAC -73D MAINT C	40,478	SF	8,020	240
District of Columbia					
Walter Reed Army Med Ctr	COMMUNITY SERVICE FACS	20,000	SF	2,200	60
Foreign Various					
OCONUS-Locations Unspecified	SWA PROJECTS		LS	6,600	190
Georgia					
Fort Benning	RANGE IMPROVEMENTS			3,440	100
Fort Benning	MARKSMANSHIP TNG UN FAC	54,182	SF	7,160	210
Fort Benning	MAC RANGE	1	EA	1,000	20
Fort Benning	AIT BKS & HQ COMP-S.H.			12,630	370
Fort Gordon	BARRACKS	1,200	PN	28,100	840
Fort McPherson	BARRACKS W/DINING	150	PN	3,110	90
Fort McPherson	LIBRARY/ED CENTER	25,500	SF	2,270	60
Fort Stewart	CLOSE-IN TRAINING RANGE	1	EA	2,940	80
Fort Stewart	CENTRAL WASH FAC		LS	1,210	30
Fort Stewart	DACG SITE (HAAF)	4,400	SY	1,620	40
Fort Stewart	CO ADMIN &SUPPLY-RPV	4,830	SF	480	10
Fort Stewart	NAVIGATIONAL AIDS	2,800	SF	1,730	50
Fort Stewart	INTRUSION SECURITY (HAAF)	34,650	EA	2,670	80
Fort Stewart	CHILD CARE CENTER-HAAF	15,000	SF	3,050	90
Germany					
Germany Various	AVIATION OPERATIONS BLDG		LS	610	10
Germany Various	SEBQ			3,390	100
Germany Various	CHILD CARE CTR			1,600	40
Germany Various	CMB SPT HQ-FULDA			3,520	100
Germany Various	CHILD DEV CTR			580	10
Germany Various	BARRACKS W/ADM-FRNKFRT			2,930	80
Germany Various	CHILD CARE CENTER			870	20
Germany Various	BARRACKS-RIVERS-GIESSEN			3,690	110
Germany Various	AVIATION SPT COMPLEX-COOKE		LS	2,630	70
Germany Various	HARDSTAND-LUCIUS CALY			490	10
Germany Various	CHILD CR CTR-LUCIUS CLAY			720	20
Germany Various	APRON EXT-HEIDELBERG		LS	1,210	30
Germany Various	CMTY SUPPORT CTR			6,160	180
Germany Various	CMTY SVC CTR			2,600	70
Germany Various	FAC MOD UTILITIES		LS	1,570	40
Germany Various	WAREHOUSE-HANAU			11,310	330
Germany Various	EDEC/SPEC SVC CTR-MANNHEIM			1,590	40
Germany Various	CHILD CARE CTR-KARLSUHE		LS	1,200	30
Germany Various	CHILD CARE CNTR-BFV FH			1,510	40
Germany Various	PHY FIT CTR-MAINZ		LS	2,730	80

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Germany					
Germany Various	CH[illegible]D SPT SVC CTR			1,270	30
Germany Various	HQ [illegible]LDG-ARCAS-NURNBERG		LS	2,540	70
Germany Various	CHILD SUPPORT SERVICE CTR			1,480	40
Germany Various	CL IX WAREHOUSE-MONTEITH		LS	8,620	250
Germany Various	PHYSICAL FITNESS CTR		LS	2,750	80
Germany Various	DUNNAGE BLDG-TWISTEDEN			2,840	80
Germany Various	EXP RAILHEAD-SCHWEIN		LS	2,520	70
Germany Various	HARDSTAND-SCHWNFURT			5,360	160
Germany Various	REC CTR-AMBERG			2,070	60
Germany Various	VEH MAINT SHOP-VILSECK			790	20
Germany Various	BARRACKS		LS	9,020	270
Germany Various	SKILL DEV CTR-7ATC		LS	840	20
Germany Various	CMTY REC CTR			7,540	220
Germany Various	BDE/BN HQ/ADMIN-MAINZ		LS	21,820	650
Germany Various	BARRACKS W/DIN-MAINZ		LS	11,970	350
Germany Various	CBT AVN CMPLX-WEISBDN		LS	21,310	630
Germany Various	PHYSICAL FITNESS CTR-WILDF	21,000	SF	3,210	90
Germany Various	BAS LD SITE-WILDFLECKEN		LS	11,810	350
Germany Various	CHILD CR CTR-WILDFLECKEN			1,300	30
Germany Various	HARDSTAND HET-WUERZBG			5,150	150
Germany Various	BARRACKS W/O MESS			4,610	130
Germany Various	TRAILER HOLDING YARD-MIESA			860	20
Germany Various	BARRACKS W/DINING-PIRMASEN			4,950	140
Germany Various	BOQ-BAMBERG			5,370	160
Germany Various	TACTICAL HARDENING			9,360	280
Germany Various	CHAPEL-DOWNS			2,030	60
Germany Various	CHILD CARE CTR-KENNEDY			2,510	70
Germany Various	PHYS FIT CTR-LANDSTUHL			1,670	50
Germany Various	DS MAINT-RAMSTEIN			1,410	40
Germany Various	MOTOR REP SHOP-CARL SCHURZ		LS	4,080	120
Germany Various	ALT/EST ORD FLD MOUNT-GERM		LS	1,210	30
Germany Various	FLD CAMP-WILDFLECKEN			3,670	110
Germany Various	CBT AVN COMP PH I-WURTZ		LS	8,580	250
Germany Various	SUB CAL RANGE-HOHENFELS			3,110	90
Germany Various	UPGD CL III FAC-QM AREA		LS	1,760	50
Germany Various	BARRACKS-MIESSAU			8,090	240
Germany Various	CHILD CARE CTR-HOHENFELS			1,240	30
Germany Various	CHILD CARE CTR-WARNER			720	20
Germany Various	PHYS FIT CTR-AUGSBURG			2,580	70
Germany Various	FLIGHT CTRL TWR-COLEMAN			1,980	50
Germany Various	IMPROVE RANGES-BAMBERG		LS	3,790	110
Germany Various	TANK-SM ARMS RG SCHWABACH			840	20
Germany Various	CHILD CARE CTR-FRANKFURT			620	10
Germany Various	CHILD CARE CTR-FRANKFURT			620	10
Germany Various	AMMO STORAGE - GIESSEN	8,640	SF	1,120	30

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Germany					
Germany Various	BARRACKS-KIRCHGOENS			4,480	130
Germany Various	BARRACKS-SCHWEINFURT			7,520	220
Germany Various	MAINT FAC PH 2-HANAU			11,430	340
Germany Various	PHYS FIT CTR ADD ANDERSON	11,030	SF	1,990	50
Germany Various	CO OPER * SUPPLY-SICKELS	23,800	SF	1,850	50
Germany Various	AVN SQDN HQ-FULDA			3,580	100
Germany Various	CHILD CARE CTR-WLDFLKN			4,430	130
Germany Various	AIRCRAFT MAINT-FINTHEN	67,060	SF	15,500	460
Germany Various	POL STG ASCHAFFENBURG		LS	2,120	60
Germany Various	FAC MOD-PHIL-GOEPPN	9,876	SF	2,350	70
Germany Various	BARRACKS-FERRIS-NURNBG	358	PN	10,090	300
Germany Various	BN HQ(FSB)-SCHWNFRT			6,300	180
Germany Various	CHILD CARE CTR-AUGSBURG		LS	2,090	60
Germany Various	BARRACKS-MCKEE	312	PN	5,050	150
Germany Various	PHYS FIT CTR-GARLSTEDT/CLA		LS	2,860	80
Germany Various	2 BR STOR BLDG-WILEY			1,500	40
Germany Various	BRIGADE HQ-WUERZBURG	29,676	SF	3,300	90
Germany Various	PHYS SEC UPGD-BAMBERG			840	20
Germany Various	M60 MG RANGE-WLDFKN			680	20
Germany Various	M2 MG QUAL RG-WILDFLECKEN			1,960	50
Germany Various	PHYS FIT CTR-MUENCH		LS	1,740	50
Germany Various	TRNG RES ASST CTR(TRAC)-WA	45,000	SF	3,840	110
Germany Various	FAC MOD UTIL-GRAF-7ATC	40	MB	4,470	130
Germany Various	INDOOR RG/CMBT THEATER-COO			1,440	40
Germany Various	PHYSICAL FITNESS CTR-HARVE		LS	4,960	140
Germany Various	FAC MOD UTILITIES			5,720	170
Germany Various	BN OPS CTR-PEDEN			1,560	40
Germany Various	FIN ADMIN BLDG-FULDA			640	10
Germany Various	SPT COMP PKG-FRANKFURT	50,995	SY	7,820	230
Germany Various	MWR BLDG-BAD KRUEZNACH			1,190	30
Germany Various	AR BN HQ-7ATC		LS	2,890	80
Germany Various	AR BN MAINT FAC-7ATC		LS	9,840	290
Germany Various	ENGR TRNG AREA-WILDFLECKEN		LS	940	20
Germany Various	FIELD CAMP - WILDFLECKEN			8,140	240
Germany Various	TNG MGT TA-FRIEDWALD LTA			960	20
Germany Various	REHAB MAINT FAC-COOKE			5,650	160
Germany Various	VEH MAIN SHOP ORG-L. CLAY	6,650	SF	1,400	40
Germany Various	POL SEP UPGRADE-HOHENFELS			600	10
Germany Various	FAC MOD IV-BINDLACH		LS	3,810	110
Germany Various	HARDSTAND-SHERIDAN	43,923	SY	3,480	100
Germany Various	CEN WASH FAC-SCHWEIN	1	EA	1,050	30
Germany Various	CHILD SFT SVC CTR		LS	2,100	60
Location 280	REHAB BUILDING 1458			1,350	40
Greece					
Greece Various	BLDS MOD-ELEFSIS	24,232	SF	1,590	40

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Hawaii					
Schofield Barracks	DINING FACILITY MOD-SCHFLD	650	PN	1,180	30
Schofield Barracks	ACES/MAIN LIBRARY	63,090	SF	7,700	230
Schofield Barracks	BARRACKS ALTN-LIGHTING			2,070	60
Schofield Barracks	TACT EQUIP SHOP-1/8FA	17,598	SF	1,190	30
Illinois					
Rock Island Arsenal	BARRACKS W/O DINING	42	PN	590	10
Rock Island Arsenal	PHYS FITNESS CTR			3,330	90
Saint Louis Support Center	CHAPEL		LS	1,200	30
Indiana					
Crane Army Ammunition Act	CONTAINER TRANS FAC			2,050	60
Italy					
Italy Various	BARRACKS-EDERLE			4,710	140
Italy Various	BARRACKS-CEGGIA			2,260	60
Italy Various	BARRACKS-BOVALONI			1,750	50
Italy Various	BARRACKS-C ORDOVADO			1,720	50
Italy Various	BARRACKS-CHIOGGIA	19	PN	1,090	30
Italy Various	BARRACKS-ODERZO			1,170	30
Italy Various	BARRACKS-CONSELVE	40	PN	1,120	30
Italy Various	BARRACKS-MONTE CALVARINA	43	PN	1,370	40
Italy Various	PHYS FIT CTR-VICENZA			2,410	70
Italy Various	PHY FIT CTR.			900	20
Japan					
Japan Various	Chiller Plt & Sys-Zama	1,000	LF	5,180	150
Japan Various	C3I	12,740	SF	6,020	180
Kansas					
Fort Leavenworth	REL/COM ED CTR/CHILD CARE		LS	4,360	130
Fort Leavenworth	ENLISTED BARRACKS/ADMIN			2,420	70
Fort Leavenworth	COMM CENTER	10,000	SF	2,230	60
Fort Riley	DIV FINANCE-SJA & AG	105,000	SF	10,020	300
Fort Riley	DINING FACILITY MOD-RILEY	369	PN	1,840	50
Fort Riley	ACFT HGR W/SHOPS (CSAB)	30,238	SF	6,840	200
Fort Riley	HARDSTAND-RILEY	45,427	SY	1,710	50
Fort Riley	BATTLE SIMULATION CTR	20,570	SF	2,570	70
Kentucky					
Fort Campbell	TACT EQUIP SHOP RPV		LS	940	20
Fort Campbell	PURCHASE PENNYRILE		LS	1,520	40
Fort Campbell	MAINT HANGAR-ORG-ECCOM 160	64,700	SF	9,390	280
Fort Campbell	AVN MNT HGR (FM)	14,456	SF	1,750	50
Fort Campbell	CHILD CARE CENTER	22,500	SF	2,190	60
Fort Knox	TACT CREW TNG COURSE M60	1	EA	2,740	80
Korea					
Korea Various	TACT EQUIP SHOP-LAGUARDIA	2,100	SF	750	20
Korea Various	TACT EQUIP SHOP-HOVEY	6,300	SF	700	20
Korea Various	TACT EQUIP SHOP-CASTLE	5,250	SF	560	10
Korea Various	TACT EQUIP SHOP-ESSAYONS	5,250	SF	560	10

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Korea					
Korea Various	TACT EQUIP SHOP-NIMBLE	4,200	SF	1,500	40
Korea Various	BARRACKS-PAGE	144	PN	2,300	60
Korea Various	STORM/SANITARY SEWER-LONG		LS	1,410	40
Korea Various	SECURITY FENCE/LIGHT-LONG		LS	750	20
Korea Various	TRANSPORT CENTER-HIALEAH	22,050	SF	1,160	30
Korea Various	BOQ-PAGE	144	PN	2,300	60
Korea Various	DINING FACILITY-TANGO	158	PN	520	10
Korea Various	TACT MAINT FAC-YONGSAN	6,000	SF	780	20
Korea Various	DSIGS MAINT FAC-YONGSAN	8,700	SF	1,030	30
Korea Various	PHYS FIT CTR-KITTY HAWK	11,000	SF	1,680	50
Korea Various	PHYS FIT CTR-HUMPHREYS	21,000	SF	3,170	90
Korea Various	TACT MAINT FAC-CASEY	21,000	SF	2,350	70
Korea Various	DINING FACILITY-SEARS	185	PN	1,130	30
Korea Various	DINING FACILITY-STANTON	417	PN	1,500	40
Korea Various	TACT MAINT FAC-STANLEY	16,800	SF	3,740	110
Korea Various	DINING FACILITY-HOVEY	127	PN	4,050	120
Korea Various	BARRACKS-PAGE	324	PN	4,080	120
Korea Various	DINING FACILITY-STANLEY	784	PN	1,880	50
Korea Various	DINING FACILITY-ESSAYONS	536	PN	2,820	80
Korea Various	BOQ-ESSAYONS	37	PN	1,880	50
Korea Various	COVERED STORAGE-YONGSAN	30,000	SF	0	0
Korea Various	DINING FACILITY-RSF	95	PN	800	20
Korea Various	BARRACKS-KYLE	162	PN	2,120	60
Korea Various	BARRACKS-CASTLE	192	PN	2,260	60
Korea Various	BARRACKS-EDWARDS	111	PN	1,550	40
Korea Various	BARRACKS-GREAVES	96	PN	1,130	30
Korea Various	BARRACKS-HOVEY	446	PN	8,110	240
Korea Various	BARRACKS-HOWZE	185	PN	3,200	90
Korea Various	BARRACKS-PELHAM	202	PN	4,140	120
Korea Various	BARRACKS-CASTLE	144	PN	1,690	50
Korea Various	BOQ-STANTON	28	PN	1,220	30
Korea Various	SECURITY FENCING-RODRIGU	52,000	LF	1,130	30
Korea Various	ADDN/RENOV BLDG-YONGSAN	8,000	SF	0	0
Korea Various	BARRACKS(KTA)-HUMPHREYS	180	PN	4,240	120
Korea Various	RECREATION CTR-LONG		LS	2,670	80
Korea Various	AUTO CFT SHP-(MWR)YOUNGSAN		LS	880	20
Korea Various	POOL COVER-RED CLOUD	8,000	SF	1,230	30
Korea Various	BARRACKS-RED CLOUD	318	PN	1,600	40
Korea Various	AMMO BUNKER-CP CASEY		LS	750	20
Korea Various	SKILL DEV CENTER-HIALEAH	3,400	SF	510	10
Korea Various	SEWAGE TRTMT PLANT-HIALEAH	200	KG	2,590	70
Korea Various	BOQ-HUMPHREYS	160	PN	8,870	260
Korea Various	BARRACKS-YONGSAN	96	PN	2,180	60
Korea Various	BARRACKS-KITTY HAWK	77	PN	1,600	40
Korea Various	BARRACKS-RED CLOUD	422	PN	5,000	140

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Korea					
Korea Various	PHYS FIT CTR-JACKSON	11,000	SF	1,420	40
Korea Various	DINING FACILITY-LONG	426	PN	3,770	110
Korea Various	CO ADMIN FAC-LONG	4,830	SF	1,030	30
Korea Various	BARRACKS-CARROLL	280	PN	6,600	190
Korea Various	GP WAREHOUSE-LONG	20,000	SF	1,810	50
Korea Various	COMMUNITY ACT CTR-LONG	10,000	SF	2,110	60
Korea Various	DINING FACILITY-LAGRDIA	139	PN	870	20
Korea Various	BARRACKS HBG-YONGSAN	390	PN	9,240	270
Korea Various	BARRACKS-YONGSAN		LS	1,360	40
Korea Various	PRODUCT FACS-YONGSAN	8,880	SF	3,110	90
Korea Various	TAC MAINT FAC-YONGSAN	6,000	SF	1,790	50
Korea Various	TACT EQUIP SHOP-YONGSAN	3,850	SF	1,410	40
Korea Various	BARRACKS-YONGSAN	900	PN	33,000	980
Korea Various	DINING FACILITY-GIANT	170	PN	1,410	40
Korea Various	DINING FACILITY-PELHAM	135	PN	1,410	40
Korea Various	DINING FACILITY-CASTLE	356	PN	2,450	70
Korea Various	CHILD CARE FAC-CARROLL	1,000	SF	1,180	30
Korea Various	FIRE STATION-CARROLL		LS	4,710	140
Korea Various	MARINE MAINT FAC-PSF		LS	2,820	80
Korea Various	BARRACKS-CP CASEY	1,152	PN	7,430	220
Korea Various	BARRACKS-MERCER	96	PN	1,880	50
Korea Various	USAF CLAIM STR-YONGSAN	5,907	SF	660	10
Korea Various	BARRACKS-CP STANLEY	784	PN	3,300	90
Korea Various	FAC ENGR FACS-CP HUMPHREYS	81,200	SF	9,890	290
Korea Various	PHYS FIT CENTER - KITTYHAW	11,000	SF	1,220	30
Korea Various	AFE FAC - GIANT	4,200	SF	940	20
Korea Various	GEN PURPOSE WHSE-WALKER	46,600	SF	3,890	110
Korea Various	AVN MAINT HANGAR-WALKESR	19,446	SF	2,230	60
Korea Various	SECURITY FENCE-CARROLL	32,000	LF	610	10
Korea Various	THEATER-CARROLL		LS	1,540	40
Korea Various	AMMO BUNKER-CASTLE		LS	750	20
Korea Various	FIRE STATION-MERCER	3,016	SF	0	0
Location 177	OPNS BLDG ADD LOC 177	8,000	SF	750	20
Location 177	BARRACKS SBEQ LOC 177			800	20
Kwajalein					
Kwajalein Various	BMD FACILITIES-CONUS			14,140	420
Kwajalein Various	ALT ENERGY SOURCES			1,880	50
Kwajalein Various	EROSION CTRL/ SEWALL UTIL			14,610	430
Kwajalein Various	HARBOR & CHANNEL IMPRVMT			6,600	190
Kwajalein Various	RANGE SUPT FAC (MISC)			4,710	140
Kwajalein Various	COLD STGE WHSE			3,850	110
Kwajalein Various	UPGR R/W LTG/DRAINAGE SYS			2,820	80
Kwajalein Various	UPGR ROADS/CURBS/GUTTERS			1,410	40
Kwajalein Various	UPGR SEWAGE DIST SYSTEMS			900	20
Kwajalein Various	UPG SLTWTR DS SYS/PUMP STN			3,770	110

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Kwajalein					
Kwajalein Various	UPGR/EXPD FRSHWTR STG SYS	20,000	KG	1,880	50
Kwajalein Various	DRY DOCK FACILITIES	15,000	SF	2,350	70
Kwajalein Various	BOQ		LS	2,820	80
Kwajalein Various	CONSOL MAINT COMPLEX			5,650	160
Louisiana					
Fort Polk	FLIGHT SIMULATOR	13,000	SF	1,880	50
Fort Polk	ROAD IMPR-LA AVE	125,227	SY	5,500	160
Fort Polk	TRAFFIC SIGNALS		LS	920	20
Fort Polk	MAIN LIBRARY	30,000	SF	5,500	160
GULF OUTPORT NEW ORLEANS	ROLL ON/ROLL OFF RAMP	1	EA	2,260	60
Maryland					
Aberdeen Proving Ground	NIGHT SET-BACK-ECIP		LS	560	10
Aberdeen Proving Ground	BARRACKS-V	319	PN	5,380	160
Fort Detrick	THEATER/EDUCATION CENTER	12,900	SF	1,930	50
Fort Detrick	PHYSICAL FITNESS CENTER	31,030	SF	2,600	70
Fort Detrick	MULTI-USE FAMILY CENTER	16,235	SF	2,090	60
Fort Meade	REACT. AMMO SUP-POINT	6,377	SF	720	20
Fort Meade	ADMIN & STORAGE BLDGS (5)	39,336	SF	3,060	90
Fort Ritchie	FIRE STATION (3-STALL)			570	10
Fort Ritchie	PREP BUILDING MOD		LS	3,000	80
Fort Ritchie	ADMIN STRUCTURE MOD		LS	2,550	70
Fort Ritchie	CONVERT RESERVOIR	9,800	SF	590	10
Fort Ritchie	PHYSICAL FITNESS CTR	21,000	SF	2,380	70
Massachusetts					
Fort Devens	MOD ACAD CLSRM BLDG P-13	112,371	SF	9,680	290
Fort Devens	MOUT/MAC PLT	85,178	SF	3,580	100
Michigan					
Detroit Arsenal	PHYSICAL FITNESS CENTER			810	20
Selfridge Air Force Base	GP WAREHOUSE		LS	580	10
Missouri					
Fort Leonard Wood	TRAINEE BARRACKS			21,690	650
Fort Leonard Wood	PHYSICAL FITNESS CENTER	62,000	SF	5,710	170
Fort Leonard Wood	CIDC FIELD OPERATION BLDG	13,580	SF	1,390	40
New Jersey					
Fort Dix	MACHINEGUN M60 TRANS RANGE			1,810	50
Fort Monmouth	CHILD CARE CENTER	12,000	SF	1,300	30
New York					
Seneca Army Depot	CORRECT OSH DEF			1,980	50
U S Military Academy	CAMP NATURAL BRIDGE MOD			4,710	140
U S Military Academy	INSTALL MECH VENTIL			470	10
U S Military Academy	MOD ACADEMIC FACS PH IV	31,000	SF	3,860	110
U S Military Academy	PHYS FITNESS CENTER ADDN	3,925	SF	710	20
U S Military Academy	REPL CONSOL ADMIN BLDG	34,200	SF	4,000	110
U S Military Academy	SIGNAL FACILITIES			1,790	50
U S Military Academy	COMMUNITY SUPPORT CENTER			2,350	70

DEPARTMENT OF ARMY
FY 1989 MCA Program Planning & Design Fund Project Listing
Projects for which concept design is planned to be obligated in FY 1987

STATE STATION	Project Description	Scope	Unit Meas	Estimated Cost ($ 000)	Estimated Design Cost ($ 000)
New York					
U S Military Academy	CAMP NAT BRDGE MOD PH II		LS	7,850	230
U S Military Academy	CEMETERY ANNEX PH I	8,000	EA	4,380	130
U S Military Academy	MOD MAINT FAC/DEH ADMIN	99,000	SF	10,530	310
U S Military Academy	UPGRADE FIRE PROT FAC			1,410	40
U S Military Academy	AUTO RIFLE MARKSMN RAN (S	10	EA	1,410	40
U S Military Academy	ANTIARMOR TRACKING RANGE	1	EA	920	20
U S Military Academy	BAND TRAINING FACILITY	31,600	SF	1,140	30
U S Military Academy	UG SEWER-REGIONAL	370	KG	2,020	60
U S Military Academy	UNIT REC FAC - 4C CADEIAS	6,100	SF	920	20
North Carolina					
Fort Bragg	VEH MAINT SHOP-ORG			8,170	240
Fort Bragg	FIRE & MOVING RANGE			1,430	40
Fort Bragg	MOD MG TRANS RANGE	1	EA	600	10
Fort Bragg	COMM CENTER	10,000	SF	2,410	70
Fort Bragg	BN HQ		LS	1,400	40
Fort Bragg	DINING FACILITY-BRAGG	800	PN	1,110	30
Fort Bragg	BRIGADE HQS-REL BARRACKS	10,000	SF	840	20
Fort Bragg	HARDSTAND 4/68TH ADA-BRAGG	150,000	SY	1,880	50
Fort Bragg	SQD AUTO WEAPON RANGE	1	EA	920	20
Fort Bragg	COMPANY OPS AND SUPPLY	26,548	SF	2,490	70
Fort Bragg	TACTICAL EQUIP SHOP	17,150	SF	2,550	70
Fort Bragg	3-25 METER ZERO RANGES	1	EA	410	10
Fort Bragg	OBSTACLE COURSE	1	EA	510	10
Fort Bragg	TACTICAL EQUIP SHOP-RPV		LS	2,930	80
Fort Bragg	CO OPS & SUP-RPV			3,770	110
Fort Bragg	CO OPS COMPLEX	48,712	SF	10,930	320
Fort Bragg	UPGRD SPEC OPS COMPLEX	1	EA	890	20
Sunny Point Mil Ocean Term	300 SERIES HOLDING PAD IMP	21	EA	1,600	40
Sunny Point Mil Ocean Term	RIVER RD IMPRV & TRUCK PAD			1,600	40
Oklahoma					
Fort Sill	OBSERVATION BUNKERS			1,050	30
McAlester AAP	LOADED CONT HLDG YARD 1			8,350	250
Panama					
Panama Area	BARRACKS-KOBBE	90	PN	3,200	90
Panama Area	CON BLDG 20 TO BKS-CLAYTON	102	PN	1,510	40
Panama Canal Zo					
Fort Clayton	CHILD CARE CTR	18,750	SF	2,560	70
Pennsylvania					
Fort Indiantown Gap	DINING FACILITY MOD-IND GP	20	PN	2,640	70
Fort Indiantown Gap	MOUT FAC		LS	1,280	30
Letterkenny Army Depot	OSHA COMPLIANCE			2,100	60
Tobyhanna Army Depot	HAZARDOUS MAT CNTL FAC			860	20
South Carolina					
Fort Jackson	CIDC FILED OPERATIONS BLDG	13,580	SF	1,600	40

DEPARTMENT OF ARMY
FY 1989 MCA Program Planning & Design Fund Project Listing
Projects for which concept design is planned to be obligated in FY 1987

STATE STATION	Project Description	Scope	Unit Meas	Estimated Cost ($ 000)	Estimated Design Cost ($ 000)
Texas					
Fort Hood	PHYSICAL FITNESS CENTER	63,000	SF	4,510	130
Fort Hood	RANGE PROJECT	1	EA	2,820	80
Fort Hood	CHILD DEV & REL ED FAC			8,160	240
Fort Hood	CO ADM & SUPPLY FAC	43,470	SF	4,410	130
Fort Hood	CO ADMIN-7-PATRIOT	24,150	SF	3,030	90
Fort Hood	ELEC DISTR PWR RNG		LS	1,130	30
Fort Hood	TAC FIRE TRAINING	1	EA	1,700	50
Fort Hood	COMPANY ADMIN & SUPPLY	4,830	SF	400	10
Fort Hood	RANGE PROJECT UPGRADE	3,200	SF	3,250	90
Fort Hood	RANGE PROJECT UPGRADE	1	EA	3,020	90
Fort Hood	CHILD DEV & REL ED FAC	67,023	SF	6,720	200
Fort Hood	TACT EQUIP SHOP-53RD QM	4,913	SF	5,610	160
Fort Sam Houston	MOD BLDG FOR SHOP/WHS	316,000	SF	6,370	190
Fort Sam Houston	PHYSICAL FITNESS CENTER	62,000	SF	5,560	160
U S Various					
CONUS-Locations Unselected	VARIOUS PROJECTS - 6TH ID		LS	55,240	1,650
CONUS-Locations Unselected	VARIOUS PROJECTS-6TGPAS		LS	28,290	840
CONUS-Locations Unselected	VARIOUS PROJECTS-HOTCPD			5,950	170
CONUS-Locations Unselected	VARIOUS PROJECTS-REGING		LS	940	20
CONUS-Locations Unselected	VARIOUS PROJECTS - 10TH ID		LS	186,810	5,600
Utah					
Dugway Proving Ground	DITTO POWER PLANT		LS	9,430	280
Dugway Proving Ground	DITTO RAIL SPUR		LS	17,540	520
Virginia					
Cameron Station	CNTRL IND OPS ACTIVITY	396,000	SF	23,570	700
Cameron Station	PHYSICAL FITNESS CENTER	21,000	SF	2,590	70
Fort A P Hill	BARRACKS CAMP COOKE	860	PN	10,190	300
Fort A P Hill	FLOAT BARGE TRNG	1	EA	1,680	50
Fort A P Hill	PHYSICAL FITNESS CENTER	13,080	SF	600	10
Fort A P Hill	SPEC PURPOSE RANGE COMPLEX		LS	3,300	90
Fort Belvoir	CIDC FIELD OPERATION BLDG			1,880	50
Fort Belvoir	DINING FACILITY-BELVOIR	800	PN	2,160	60
Fort Belvoir	FACILITY ENERGY IMP(ECIP)		LS	2,180	60
Fort Belvoir	WDW TREATMENT/INSUL (ECIP)		LS	2,210	60
Fort Belvoir	ARMY HQ BUILDING	500,000	SF	46,210	1,380
Fort Eustis	MOD RIFLE RANGE	1	EA	980	20
Fort Eustis	BARRACKS W/DINING	1,400	PN	25,460	760
Fort Lee	GRENADE LAUCHER RANGE			560	10
Fort Lee	BARRACKS MODERNIZATION			5,960	170
Fort Monroe	PHYSICAL FITNESS CENTER	21,600	SF	2,010	60
Fort Myer	BARRACKS VOQ&VEQ		LS	5,280	150
Fort Pickett	UPGRD NE/SW RUNWAY	175,000	SY	15,450	460
Fort Pickett	PETRO STORAGE FAC	4	GL	1,230	30
Vint Hill Farms Station	FIRE STATION			590	10

DEPARTMENT OF ARMY
FY 1989 MCA Program Planning & Design Fund Project Listing
Projects for which concept design is planned to be obligated in FY 1987

STATE STATION	Project Description	Scop.	Unit Meas	Estimated Cost ($ 000)	Estimated Design Cost ($ 000)
Washington					
Fort Lewis	TACT EQUIP SHOP-1/67 ADA	29,999	SF	5,810	170
Fort Lewis	BN HQ - PATRIOT			1,970	50
Fort Lewis	CO ADM & SUPPLY			620	10
Fort Lewis	TAC EQUIP SHOP/MAINT-GENL	21,000	SF	4,620	130
Fort Lewis	TAC EQUIP SHOP (ENGR)	31,914	SF	7,940	230
Fort Lewis	DINING FACILITY MOD-LEWIS	300	PN	900	20
Fort Lewis	BN HQ & CLASSROOM	13,300	SF	1,550	40
Fort Lewis	WATER TREAT PLANT	20	KG	3,270	90
Fort Lewis	DINING FACILITY MOD-LEWIS	300	PN	1,020	30
Fort Lewis	BDE C&C W/SCIF -MI BN	63,000	SF	9,600	280
Fort Lewis	CO OPS & SUPPLY -MI BN	38,640	SF	3,010	90
Fort Lewis	VEH MAINT SHOP -MI BDE	30,616	SF	5,440	160
Wisconsin					
Fort McCoy	UTILITIES TO SQUAW LAKE	8,000	LF	560	10
Fort McCoy	CENTRAL FUEL STORAGE		LS	560	10

Estimated Cost = $ 1,817,180 in Thousands of Dollars

Design Cost = $ 1,817,180 X 3.00% = $ 54,515.40 in Thousands of Dollars

211B/JMR/0659C
10 February 1986

JUSTIFICATION FOR FY 1987 MCON DESIGN FUND REQUEST

DESIGN OF PROJECTS INTENDED TO BE SUBMITTED FOR AUTHORIZATION IN FY 1988: (Projects identified below are based on tentative programming and are subject to change).

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
	INSIDE THE UNITED STATES		
ALASKA			
Adak NSGA	Fire Sta/ Trans Bldg	2.9	101
	Hospital Addn	4.5	158
	BEQ Addn	7.6	266
ALABAMA			
Mobile NS	Berthing Pier	3.2	112
	Site Dev & Utilities	10.0	350
ARIZONA			
Yuma MCAS	Acft Corrosion Contr Fac	7.0	245
	Aviation Supply Warehouse	3.5	123
	Hangar Modns	2.2	77
	Flt Line Security Imp	9.5	332
	Aviation Armament Shop	1.7	59
CALIFORNIA			
Alameda NARF	Acft Acoustical Encls	4.7	165
	Plating Shop	13.8	483
Alameda NAS	AC Interm Maint Facs	10.6	371
Barstow MCLB	Loading/Unloading Ramps	2.0	70
	Child Care Center	8.0	280
	Railroad Track Maint Fac	1.3	46
Camp Pendleton NH	PW Vehicle Maint Complex	1.0	35
	Med Strg Fac	2.6	91
Camp Pendleton MCAS	Haz/Flam Storehouse	6.9	241
	Refuel Veh Shop	4.0	140
	Aircraft Rinse Fac	5.0	175
	Flt Line Secur	6.0	210
	Runway Overun Imp	2.8	98
	Station HQ	1.6	56
Camp Pendleton MCB	Lgt Arm Asslt Veh Trg Facs	7.4	259
	Tact Veh Maint Fac	8.7	304
	BEQ	20.0	700
	Equip Maint Fac Imp	6.6	231
	Tact Veh Maint Area	9.1	318
	Multi Purpose Fac	2.3	80
	Seq Holding Fac	1.7	59
	Moving Target Range	2.6	91
Cntrville Beach NF	Generator Bldg	2.7	94
China Lake NWC	Electronic Systems Lab	5.0	175
	Missile Navigtal Dev Lab	14.2	497

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Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
CALIFORNIA			
Concord NWS	Harpoon Test Cell	7.0	245
	Water Sys Imps	3.0	105
Coronado NAVPHIBASE	ACB Ops Fac	2.3	80
	EOD Fac	3.9	136
	SDV Ops Fac	1.7	59
	SWOS EOOW Fac	3.4	119
	LCAC Fac Supt	7.4	259
	Explosive Ordnance Disp Fac	3.9	136
Coronado PHIBSCOL	BUD/S Fac	7.5	262
El Toro MCAS	Data Process Center	3.0	105
	BOQ	7.0	245
	Arming/Dearming Pads	1.1	38
	Flt Line Security Imp	1.1	38
	Avionics Shop	2.2	77
Lemoore NAS	Flight Line Security	2.0	70
Long Beach NLEGSVCOFF	Legal Service Office	1.2	42
Long Beach PERSUPPACT	Personnel Support Detach	6.4	224
Long Beach NS	Pier Utilities	4.5	157
Long Beach NSY	Util Dist Imp	19.0	665
Mare Island NSY	Engr Planning Bldg	2.5	87
	Modn Pier 35	8.0	280
Miramar NAS	Trng Bldg	5.7	199
Monterey NPGS	Academic Library Addn	2.5	87
	Steamline Imps	3.0	105
	BOQ Conv	7.6	266
	Seismic Conv	2.0	70
North Island NAS	Magazines	2.3	80
	SH-60F Trng Bldg	17.9	626
	Flight Line Security	2.0	70
Point Mugu PMTC	Missile Magazine	9.9	346
Port Hueneme NAVSCOLOFF	Procurement Training Bldg	7.1	248
Port Hueneme NCBC	War Reserves Warehouse	4.2	147
	CED Weld Shop	9.0	315
	Sealift Support Strg Fac	6.9	241
San Bruno NFEC	Const Mgmt Off (China Lake)	8.0	280
	Const Mgmt Off (Moffett)	6.0	210
	Const Mgmt Off (Pt Mugu)	5.7	199
	Const Mgmt Off (Barstow)	4.3	150
San Diego FASWTC	BEQ	7.6	266
	Electr Distr System	5.7	199
San Diego FCTCPAC	Trng Bldg Addn	6.0	210
San Diego NAVLEGSVCOFF	Naval Legal Service Bldg	5.5	192
San Diego NAVOCNSYSCEN	CMD/Control Sys Lab	8.6	301

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
CALIFORNIA			
San Diego NETSC	Training Support Facility	9.9	346
San Diego NS	Berthing Pier	3.6	126
San Diego NSB	Seawall	2.0	70
	Submarine Pier Extension	2.5	87
	Fleet Landing/Boat Shop	4.0	140
	Site Imp	1.4	49
San Diego NSC	WHSE Fire Prot. (Long Beach)	2.4	84
	WHSE Fire Protection	4.8	168
	AMHS/MHE Maint Bldg	1.8	63
San Diego NTC	Advanced Welding Trng Fac	7.8	273
	Apprentice Trng Bldg	6.7	234
	Recruit Support Center	9.3	325
	FF Trng Facility	6.0	210
San Diego PERSUPPACT	Pass Office (Pt Loma)	1.1	38
San Diego PWC	Electrical Distrbn Lines	2.4	84
	PW Shop	8.0	280
	Hazard Waste Strg Area	1.7	59
	Sewerage Sys Generator	4.5	45
	Public Works Shop	4.3	150
	Elec Dist NOSC	3.8	133
	Wastewater Sys Impr	4.3	150
San Diego SUBTRAFAC	Operational Trainer Fac	2.6	91
	Fire Fighting School	2.1	73
San Francisco PWC	Transportation Shop	14.0	490
	Elec Power System	6.8	238
Seal Beach NWS	Tomahawk Magazine	1.7	59
	Std Msl Vls Mag	4.9	171
	Std Missile Fac	9.9	346
	Asroc (VLS) Mag	1.6	56
	Air Launch Missile Mags	4.3	150
	Missile Fac Addn/Alt	2.3	80
	Phoenix Missile Mags	4.4	154
Treasure Is NS	Brig	3.0	105
	Pier Ext	8.4	294
	Pier Utilities	12.5	437
	Enlisted Dining Fac	1.1	38
Tustin MCAS	Gymnasium	3.0	105
	Child Care Center	2.1	73
	Tactical Support Van Pads	1.6	56
	Flt Line Sec Improv	1.1	38
	Hangar Modns	12.5	437
	IMA Complex	3.2	112
Twentynine Palms MAGCC	Rifle Range Imps	1.2	42
	Audio/Visual Trng Fac	3.7	129
	BEQ	18.0	630
	Phy Sec Hrd Two Msl Plt	4.0	140
	Elec Comms Maint Facs	9.5	332
	Water Sources Develop	2.1	73
	Range Site Prep	3.8	133

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
CALIFORNIA			
Vallejo NESEC	MARCORP Elec Fac	6.4	224
CONNECTICUT			
Groton NAVSECGRUACT	Fleet Crypto Bldg	1.0	35
New London NAVSUBSCH	Operational Trainer Fac	9.4	329
New London NSB	Fleet Support Warehouse	5.8	203
	BEQ/Land Acquisition	14.4	504
	Utilities Improve	4.7	164
	Boiler Plant Modn	2.3	80
New London NUSC	Detection Systems Lab	19.0	665
DISTRICT OF COLUMBIA			
Wash DC COMNAVDIST	Admin Office Modn	22.0	770
	Admin Office Modn	8.4	294
	Transport Maint Fac	4.9	171
Washington DC NRL	Renovate Bldgs	10.5	367
	Fac Energy Impr(Anacostia)	2.6	91
Wash DC NAVSECSTA	Comm & ADP Fac	4.5	157
FLORIDA			
Cecil Field NAS	Mod Power Check Pads	6.5	227
	Engine Maint Shop	9.0	315
Homestead NSGA	Message Exchange Addn	5.7	199
Jacksonville NARF	Engine Processing	23.0	805
	Fuel Accessories	5.0	175
Jacksonville NAS	Avionics Shop	3.9	136
	Rehab Ctr	8.9	311
Jacksonville NSC	Warehouse	4.3	150
Key West NAS	Aircraft Rinse Fac	6.0	210
	Radar Const Center	1.1	38
	Power Dist System	1.0	35
	EOD Unit #4	3.4	119
Mayport NS	Pier Power Upgrade	1.3	45
	Water Strg Tank	2.6	91
Orlando NORU	Recruit Orient Unit	3.2	112
Orlando NTC	Barracks	9.3	325
Panama City NCSC	R&D Underwater Cmd Fac	10.0	350
Pensacola NAS	BEQ Imprvs	5.0	175
	Dredge Channel	19.0	665
Pensacola NTTC	Admin Bldg Modern	2.2	77
Pensacola PWC	Hazardous Waste Strg	7.0	245
Whiting Field NAS	Helo Direct	2.0	70
GEORGIA			
Hawkinsville NSPSURST	Antenna Modn	2.8	98
Albany MCLB	Tank & Auto Test Fac	5.6	196
	Fire Prot Improv	8.5	297

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Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
Kings Bay SUBASE	Chapel/Relig Educ Fac	2.7	94
	Community Facilities	3.4	119
	Industrial Area Cafeteria	1.4	49
	Med/Den Clinic Addition	6.7	234
	Ballast Can Facility	5.0	175
	Launch Equip Proc Bldg	1.9	66
	BEQ	7.8	273
	Utilities & Site Imprs	11.0	385
	Printing Plant	1.9	66
	Child Care Ctr Addn	1.2	42
	Auto Hobby Shop Addn	9.5	332
	Waterfront Equipment Strg	8.5	297
	Personnel Supt Storage	5.0	175
	Hull Clean Spt Fac	6.5	227
	Strategic Wpns Mags	8.9	311
	Defensive Ord Spt Facs II	2.1	73
	Dredging	36.0	1260
	Non Metal Components Facs	1.8	63
	Refit Warehouse	5.0	175
	Diving Locker	9.5	332
	Public Works Facilities	2.0	70
	Launch Supply Storage	1.0	35
	Dredging	19.4	679
HAWAII			
Barbers Point NAS	Tacamo Trng Fac	8.1	283
	Aviation Phys Trng Bldg	2.3	80
Honolulu NAVCAMS EPAC	Bldg Shielding	3.8	133
Kaneohe Bay MCAS	Fac Energy Imps	5.0	175
	Maintenance Hangar Mods	11.2	392
	Airfield Pave Imprs PHII	8.8	308
	Comm Facility	4.0	140
	Operations Fac	1.5	52
	Elec System Improv	10.4	364
	BEQ	10.7	374
Lualualei NM	Missile Rework Bldg	4.0	140
Pearl Harbor COMOCEANSY	Standby Generator Addn	1.2	42
Pearl Harbor FICPAC	Com/Control Intel Addn	13.0	455
Pearl Harbor NARC	Alcohol Rehab Center	7.8	273
Pearl Harbor NLEGSVCOG	Legal Service Office	2.8	98
Pearl Harbor NS	Quaywall Impvs	6.1	213
	Admin Bldg	2.3	80
	Wharf Fender System	4.0	140
Pearl Harbor NSB	Educ Services Ctr	3.0	105
	Torpedo Shop Addn	7.6	266
	Small Craft Berthing	1.1	38
Pearl Harbor NSC	Fire Protection Warehouse	1.4	49
	Haz/Flammable Fac	6.1	213

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
Pearl Harbor NSY	Machine Shop	20.0	700
Pearl Harbor PWC	Elec Dist Sys Imps	9.0	315
	Elec Dist Sys Impr	11.4	399
	Emergency Diesel Generator	6.5	227
ILLINOIS			
Great Lakes NTC	Visit Recep Center	2.2	77
	Facility Energy Impr	6.0	210
INDIANA			
Crane NAVWPNSUPPCEN	Elec Systems Eval Lab	9.5	332
	Litnum Batt Test	2.9	101
	Data Processing	4.7	164
	Weapon Dev & Test Fac	1.2	42
	Bridge Replacement	1.0	35
LOUISIANA			
Lake Charles NS	Berthing Pier	11.5	402
	Site Dev & Utilities	3.8	133
MAINE			
Natick NAVCLOTEXTRSCH	Clothing Lab Adds	1.6	56
Winter Harbor NSGA	BEQ	1.5	52
MARYLAND			
Indian Head NOS	AEGIS (Wallops)	14.6	511
	Solid Waste Disposal	1.3	45
	Ord Countermeasures Lab	7.5	262
	Enlisted Mess Hall	1.1	38
	BEQ Mess Addn	3.8	133
Patuxent River NATC	Telemetry Data Center	7.4	259
	Oil Spill Prevention	7.5	262
	Tacamo Support Fac	1.5	52
MISSISSIPPI			
Bay St. Louis NAVOCEANO	Headquarters Bldg	1.9	66
Gulfport NCBC	Haz Mtrl Strg & Hndlg Fac	1.1	108
Pascagoula NS	Berthing Pier	30.0	1050
	Site Dev & Utilities	12.5	437
Pascagoula SUPSHIP	BEQ Imps	3.0	105
NEW JERSEY			
Earle NWS	Dredging (Phase I)	27.0	945
	Limited RR Spur	8.0	280
	Tomahawk Mag (Phase I)	2.9	101
	Child Care Center	9.5	332
Lakehurst NAEC	Steam Dist Sys Modn	3.0	105
Trenton NAIRPROPCEN	Research Lab Conversion	2.4	84

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Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
NEW YORK			
New York NS	PW Shop	6.0	210
	Site Improves (Stapleton)	13.7	479
	Community Service Center	15.5	542
NORTH CAROLINA			
Camp Lejeune MCB	Elec Safety Impr	9.5	332
	Division Headquarters	5.8	203
	BEQ	32.0	112
	Auto Org Shop Div	7.2	252
	Field Maint Shop	1.6	56
	Field Maint Complex	4.2	147
	Regional Autom Serv Center	4.6	161
	Ops Training Complex	5.8	203
	Elec Dist Improv	1.1	38
Cherry Point NARF	Support Equip Shop Addn	4.8	168
	Control Tower/Opns Fac	3.1	108
	Hangar Modifications	3.7	129
	BEQ	27.0	945
	Security Improvements	3.1	108
	Child Care Center	1.0	35
	Elec Dist Sys Improv	6.4	224
	Trainer Facility	1.1	38
	Aerial Targets Improv	2.2	77
New River MCAS	Ops Trainer Fac	1.2	42
	Gen Purp Warehouse	3.2	112
	Flt Line Security	2.5	87
PENNSYLVANIA			
Mechanicsburg SPCC	Kitchen Modn	4.0	140
	Administrative Offices	1.9	66
Philadelphia NSY	Crane Rail Interconnection	9.6	336
RHODE ISLAND			
Newport NAVJUSTSCOL	Legal Training Bldg	2.2	77
Newport NETC	Elec Dist Sys Impr	7.1	248
	Wtr Distr Sys Impr	4.7	164
	Heating Fuel Oil Storage	2.1	73
	SIMA	11.2	392
Newport NUSC	Small Craft Berthing	1.2	42
SOUTH CAROLINA			
Beaufort NH	Const/Modn Bachelor Qtrs	2.7	94
Charleston NSC	Fire Protection System	1.9	66
	Dehumid Warehouse	6.2	217
	Tank Truck/RR Load Fac	1.1	38
	Berthing Pier Pipeline	4.0	140
Charleston NWS	Fixed Crane (Pier C)	9.0	315
	FBM Fac Alt Route	4.4	154
	Inert Storage (Tomahawk)	3.0	105
	Tomahawk Mag	1.8	63
	MK50 Torp IMA	3.4	119

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
SOUTH CAROLINA			
Charleston POMFLANT	Direct Missile Haul Rd	7.6	266
Parris Is NAVDENCL	Clinic Expansion	4.3	150
TENNESSEE			
Millington NAS	Barracks "A" School	9.6	336
	Fire & Rescue Station	1.6	56
TEXAS			
Corpus Christi NH	Fire Protection Imp	1.6	56
Corpus Christi NAS	Boiler Plant Mods	8.5	297
Galveston NS	Berthing Pier	18.5	647
	Site Dev & Utilities	5.5	192
Ingleside NS	Berthing Pier	61.0	2135
	Dredge Channel/Turn Basin	12.5	437
	Site Dev & Utilities	17.0	595
Kingsville NAS	VTXTS Maint Fac	7.6	266
VIRGINIA			
Arlington HQBN	Gen Purpose Warehouse	2.0	70
Chesapeake NSGA	Ops & Trng Fac	5.2	182
Dam Neck FCTCLANT	Road Upgrade	1.6	56
	Security Building	3.5	122
	Base Mgmt Complex	1.2	42
Dahlgren SURFWPNCEN	BEQ	3.7	129
	Compartmented Prog Lab	11.8	413
	AEGIS (Wallops)	14.6	511
Little Creek NAB	Seal Team Ops Fac	3.8	133
	Diving/Salvg Sprt Fac	8.0	280
	Seal Team Ops Fac	4.4	154
Norfolk FTC	Fire Fight Simulator	9.3	325
Norfolk NARF	Paint Finishing Hangar	7.7	269
Norfolk NAS	Helo Trng Fac	3.2	112
	Maint Hangars	16.0	560
	BEQ	12.0	420
Norfolk	APTU	3.7	129
NAVCAMSLANT	SATCOM Term (Medium)	3.6	126
Norfolk NAVEASTOCNCTR	Oceanography Ctr Addn	8.0	280
Norfolk NAVMMACLANT	Eng Mgmt Bldg	7.3	255
Norfolk NS	Pier Elec Dist Impr	7.2	252
Norfolk NSC	Fuel Line	6.5	227
	Fire Prot Sys Improvs	3.2	112
	POV Facility	4.0	140
	Drum Storage Space	4.4	154
	Dehumid Warehouse	10.6	371
	Lumber & Pallet Strg	2.9	101
	Servmart & Improvs	9.0	315

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Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
VIRGINIA			
Norfolk NSY	Physical Security Imp	1.6	56
Norfolk PWC	Eng Mgmt Bldg Addn	2.4	84
	Electrical Dist Lines	5.2	182
	Steam Plant	29.7	1039
Oceana NAS	Range Operation Center	1.5	52
	AC Spares Strg Addn	5.0	175
	Test Cell	3.8	133
	Training Bldg	4.4	154
Quantico MCDEC	Water Treatment Sys	9.5	332
	Child Care Center	9.0	315
	Enl Dining Fac	6.5	227
Yorktown NWS	Pier Modernization	5.4	189
	Vls Missile Mag	6.9	241
	Asroc Vls Mag	1.6	56
	Air Launch IMA Fac	9.5	332
	Missile Mags	1.6	56
	Torpedo IMA	4.6	161
WASHINGTON			
Bangor NAVSUBASE	Engineering Mgnt Bldg	8.9	311
	Repair Shop Storage	7.5	262
	BOQ Addition	2.5	87
Bangor TRIREFAC	Major Shore Whse	1.9	66
	Boat Maint Shop	1.8	63
	Elec Upgrade Msg	1.0	35
Bremerton NSC	Security Fence Manchester	7.5	262
Keyport USEAWARENGSTA	Fire Prot Piers 1 & 2 Bldgs	8.0	280
	Road Improve	2.7	94
	USEAWARENG Ctr	9.8	343
	HE Mag	5.4	189
	SP&P Mag	12.7	444
	Seg and Ren Fac	2.1	73
	Fire Station Improv	9.0	315
	Barracks Rehabilitation	1.1	38
Puget Sound NSY	Drydock Utilities Modn	1.6	56
	Drydock Modns	7.5	262
Seattle NS	SIMA Fac	13.7	479
	Dredging (Inner Area)	8.8	308
	Shore Utility Systems	15.5	542
	Security Facilities	1.6	56
	Desrn Wharf (Everett)	20.0	700
	Port Services	3.8	133
	Dredging	9.9	346
	NTCC	1.7	59
Whidbey Is NAS	Flight Simulator Bldg	5.3	185
	ACFT Maint Hangar	8.4	294

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Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
OUTSIDE THE UNITED STATES			
AUSTRALIA			
Harold E Holt NCS	Post Office	4.3	150
AZORES			
Terceira Is NSGA	Public Works Facility	7.0	245
BRITISH WEST INDIES			
Bermuda BWI NAS	BEQ	6.8	238
Bermuda NF	BOQ	1.2	42
CANADA			
Argentia NF	Heat Plant	4.0	140
CUBA			
Guantanamo NAS	BOQ Modernization	1.6	56
Guantanamo NS	Facility Energy Imps	9.0	315
GREAT BRITAIN			
Brawdy NF	Generator Plt	1.1	38
London NAVACTS	Physical Fitness Center	3.8	133
	Auto Maint Shop	5.0	175
	Fleet Hosp Spt Facs	9.4	329
	Fleet Hosp Spt Facs	10.0	350
Mildenhall NAF	Maint Hangar	1.8	63
ICELAND			
Keflavik NS	Air Terminal Conversion	2.3	80
	Airfield Facs	4.5	157
	Fuel Facs	7.8	273
ITALY			
La Maddalena NSO	Cold Iron I	6.6	231
Naples NAVCAMS Med	Communications Center	23.9	836
Naples NCMED	Low Freq Tower/Helix	5.4	189
Naples NSA	Cold Storage Warehouse	2.1	73
	Administrative Bldg	6.4	224
	Utilities Distribution	15.7	549
	BEQ	4.3	150
	C3 Intel Fac	15.6	546
	Utilities	14.4	504
	Fire Station	5.0	175
	Physical Security Imp	5.0	175
Rota NS	Security Upgrade	1.5	52
Sigonella NAS	Engine Test Cell	3.1	108
Sigonella NAVCLINBR	Naval Hospital	16.7	584

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Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
JAPAN			
Atsugi NAF	Elec Power Sys Impr	2.0	70
	ACFT Maint Hangar	16.0	560
Iwakuni MCAS	Physical Security	1.4	49
Okinawa MCB Cp But	BEQ Modernization	8.9	311
	Crash Fire Station Addn	1.0	35
	Aviat Instal Secur	3.5	122
	Comm Maint Shop	1.3	45
MARIANAS ISLANDS			
Guam NF	Maint Support Bldg	5.7	199
Guam NM	Ordnance Maint Fac	9.3	325
Guam NSD	Oil Spill Prevention	4.7	164
	Waterfront Transit Shed	5.9	206
	Mps Supply Maint Fac	7.6	266
Guam NSRF	Crane Track Ext 1st Incr	4.8	168
	Equip Maint Fac	12.5	437
Guam PWC	Sewg Treatment Plant	3.0	30
	Boiler Plant Modn	2.9	101
	Condenser Sys Modn	1.9	66
PUERTO RICO			
Roosevelt Roads NCS	Transmitter Cooling Sys	4.5	157
Roosevelt Roads NS	Flammables Warehouse	9.5	332
Sabana Seca NSGA	Perimeter Security Fence	4.0	140
REPUBLIC OF THE PHILIPPINES			
Cubi Point NAS	Flight Line Security	1.8	63
San Miguel NAVCOMSTA	Automated Message Exchange	2.9	101
Subic Bay NH	Hospital	33.9	1186
Subic Bay NM	Ammo Rework & Overhaul Shop	4.2	147
	Ammo Segregation Fac	1.8	63
	Security Lighting	4.0	140
	Pub Prmt Branch Off Imp	1.3	45
SCOTLAND			
Edzell NSGA	Security Gate House	8.4	294
SPAIN			
Rota NS	Security Upgrade	1.5	52

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10 February 1986

ADDITIONAL JUSTIFICATION REQUIRED FOR FY 1987 MCON DESIGN FUND REQUEST

DESIGN OF PROJECTS INTENDED TO BE SUBMITTED FOR AUTHORIZATION IN FY 1989: (Projects identified below are based on tentative programming planning and are subject to change).

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1987 ($000)
	INSIDE THE UNITED STATES		
ALASKA			
Adak NAS	Fire Station	4.1	144
	Inert Storehouse	2.1	74
	Taxiway	2.1	74
	Acft Direct Fueling Sta	1.2	42
	Explosives Transfer Fac	7.8	273
	Enlisted Mess Hall	9.7	340
	Sec/Armory Facility	2.4	84
CALIFORNIA			
Alameda NARF	Meterology Lab	13.4	469
	Engine Heat Treat Fac	5.1	179
Camp Pendtn NAVHOSP	UEPH	1.3	46
China Lake NWC	Child Care Center	2.0	70
	Fuze & Sensors	13.6	476
	TSPI Sys Lab	4.6	161
Concord NWS	Sprink Sys Barge Pier	2.3	80
	Explosive Holdings Yards	13.8	483
Coronado NAVPHIBASE	BEQ	10.9	382
	Operations Facility	2.3	81
	CB-1 Sealift Supp Sys	9.5	333
	LCAC UEPH (PAC-2)	3.7	130
	Diver Training	6.7	235
El Centro NAF	BEQ	7.1	249
Lemoore NAS	Battery Shop	2.8	98
	Hangar Electrical Power	3.9	137
Long Beach NS	Brig	3.2	112
	Disciplinary Bks (82 PN)	5.8	203
	Pier Extension	3.2	112
	General Purpose Berth Pier	24.0	840
	Vehicle Parking	5.0	175
	Fleet Rec Center	5.0	175
Mare Is NSY	Engineering/Planning Bldg	47.5	1663
	DD#3 Refueling Complex	7.0	245
	Chapel	2.4	84
Miramar NAS	Physical Security	2.0	70
Moffett Fld NAS	Runway Improvements	16.0	560
	Runway/Fixed Wing	10.8	378
	Maint Hangar Modns	11.6	406

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1985 ($000)
CALIFORNIA			
Monterey FLNUMOCEANCEN	Meteor Bldg Addn	1.6	56
Monterey NPGS	BEQ Addn	8.1	284
	Child Care Center	1.9	67
	Public Works Complex	2.3	81
North Is NAS	Turbo Fan Eng Test Cell	12.0	420
	Component Overhaul Fac	18.7	655
	Substations	7.1	249
	Maintenance Hangar	3.4	119
	IMA (H-60)	3.6	126
	Hangar (H-60)	2.0	70
	Flight Line Security	2.5	88
Oakland NH	BEQ	5.0	175
Oakland NSC	Fuel Pier Pipelines	1.5	53
	Logistics Ctr Opers Imprvs	1.4	49
Point Mugu PMTC	Electro-Mag Inter Lab	1.5	53
	Hazardous Waste Stor Fac	2.5	88
Port Hueneme NCBC	Haz/Flann Mtrls Strhse	4.1	144
	CBC Hdqtrs Bldg	5.5	193
	Facso Bldg	3.7	130
San Diego FCTCPAC	Applied Instruc Bldg	3.7	130
	Base Security	3.8	133
San Diego FTC	Operational Trainer Fac	11.3	396
San Diego NMC	Hdqtrs Bldg Swreg	2.4	84
San Diego NS	Vehicular Bridge	5.9	207
	Chapel/Rel Educ Bldg	2.4	84
	Brig	6.5	228
	Collimation Tower	2.3	81
	BEQ	17.4	609
San Diego NSB	Ship Spares Strg Fac	1.7	60
	Demineral Wtr Sys	1.8	63
	ADCAP Torpedo Shop	3.3	112
	Police Station	8.6	301
	Site Improvements	1.4	49
San Diego NSC	Haz Mtrl Strg & Hndlg Fac	5.5	193
	AMHS/MHE Maint Fac (N IS)	1.3	46
San Diego NTC	Sprinkler Systems	3.9	137
	BEQ	10.3	361
	Recruit Training Pool	4.3	151
	Chapel	4.6	161
	Small Arms Range	2.0	70
	Child Care Center	9.2	322
	PW Expendbl/Work In Proces	8.3	291
San Diego PWC	Auto Veh Maint	5.8	203
	Hvy Equip Maint Fac	3.4	119
	Electrical Distrbw Lines	3.9	137
	Electr Distr-NAVSTA	14.4	504

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1985 ($000)
CALIFORNIA			
San Fran NAVCLINB	Medical Fac (Hunters)	1.6	56
San Fran NTTC	Unrep Trng Fac	2.9	102
San Fran PWC	Pier Utilities	12.3	431
San Fran PWC	Sanitary Sewer Relocation	6.1	214
Seal Beach NWS	Ammo Transfer Depot	3.4	119
	Eng & Telem Center	8.5	298
	Std Msl Vls Mag	5.0	175
	Harm Magazine	2.2	77
	Shrike Magazine	2.2	77
Treasure Is NAVSTA	Ferry Landing	2.0	70
	PW Compound (Hunters)	1.0	35
	Admin Bldg (Hunters)	1.0	35
	Recreation Bldg (Restrctd)	5.0	175
	Training Fac (Hunters)	1.0	35
CONNECTICUT			
Groton NAVLEGSVCOFF	Nav Leg Serv Off	1.9	67
New London NAVSUBSHGST	Aib Adv Wpns	1.9	67
New London NSB	BEQ Modn	4.0	140
	BEQ	6.5	228
	MK48 Ima Fac	9.5	333
New London NUSC	Sub Electro-Mag Sys Lab	10.3	361
DISTRICT OF COLUMBIA			
Wash DC COMNAVDIST	Supply Facility (Anacostia) Conversion Bldg 104	10.0	350
Wash DC NRL	Electro Optics	19.8	693
	Facility Energy Improve	5.0	175
FLORIDA			
Cecil Field NAS	Physical Security	1.6	56
	Fuel OPS141E	4.3	151
	Jet Engine Test Cell	4.3	151
Jacksonville NARF	Seat Rework	6.4	224
Jacksonville NAS	Physical Security	2.4	84
	Hangar Service Points	3.8	133
	Ops Trainer	6.2	217
	Engr Shop	1.7	60
Jacksonville NMEDCOMSE	Hqtrs Building Sereg	1.8	63
Key West NAS	Acft Washdown Sys	4.3	151
	A/C Loading Area	3.6	126
Mayport FTC	Fire Fighter Trng Fac	4.2	147
Mayport NAF	Physical Security	1.9	67
Mayport NAVLEGSVCOFF	Legal Services Office	1.2	42

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1985 ($000)
FLORIDA			
Mayport NS	Industrial Waste Trtmt	3.0	105
	Water Treatment Expan	3.9	137
	Magazine	2.1	74
	Fleet Recreational Center	53.0	1855
	Water Storage Addition	7.9	277
Orlando NTC	BEQ	7.6	266
	Fire Protection	7.8	273
	Utilities-Sewer Gas	4.1	144
	FF Training Facility	1.6	56
	Data Processing Center	6.0	210
	Pass Office	30.0	1050
Panama City DIVSALTRAC	Diver Trng Bldg Addn	4.9	172
Panama City NCSC	Research lab	5.0	175
	EDF	1.5	53
Pensacola NARDAC	Data Processing Center	9.0	315
Pensacola NAS	Brig	3.8	133
	Sea Surv Facility	2.1	74
	Weatherization	7.5	263
	Lighting Systems	8.7	305
	Replace Haz/Flam Warehse	2.0	70
	Pier Utilities GCH	2.3	81
	Berthing Pier GCH	1.7	60
	Supp Fac GCH	11.2	392
Pensacola NTTC	Child Care Center	10.0	350
	Applied Instr Bldg	2.2	77
	Fencing	4.8	168
Whiting Fld NAS	Airfield Safety Improvs	3.6	126
GEORGIA			
Kings Bay NSB	Special Services Facs	3.0	105
	Consold Club Ad Com	3.3	116
	Educ Serv Addn & Mod	4.3	151
	U&SI VIII	5.0	175
	Defense Access Roads	3.1	109
	Refit Wharf #3	29.6	1036
	PDO Operations	5.3	186
	BEQ	3.2	112
	Dredging VII	5.9	207
	Comm Impact Asst	6.8	238
HAWAII			
Barbers Point NAS	BEQ Modernization	4.0	140
	AA&E Security Improvs	1.7	60
Barking Sands PMRF	Pkg APRN/TW/ORD Hndlg	9.0	315
Lualualei NM	Missile Magazines	5.0	175
	EOD Training Fac	5.0	175
Pearl Harbor COMOCSYS	Physical Security	1.4	49
Pearl Harbor NS	Drain Imp Makalapa No Rd	8.1	284

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1985 ($000)
HAWAII			
Pearl Harbor NSB	Physical Fitness Center	6.0	210
	Repair Shop	1.5	53
	Nuclear Support Fac	9.1	319
	Adcap Torpedo Shop	7.6	266
	General Warehouse	9.5	333
Pearl Harbor NSC	Tank Truck Loading Fac	1.4	49
	Fuel Tks fire Prot--Prl Cty	1.9	67
	Warehouse Fire Protect	2.5	88
Pearl Harbor N SUBTRCEN	Submarine Trng Bldg Addn	2.1	74
	Applied Instruction Bldg	1.9	67
Pearl Harbor PWC	Electrical Distrbn Lines	4.0	140
	Industrial Waste Complex	10.4	364
	Transp Maint Fac Shipyd	6.5	228
ILLINOIS			
Great Lakes NHCORSCH	UEPH	14.5	508
	School Expansion	1.4	49
Great Lakes NTC	Fire Station	8.2	287
	Brig Support Bldg	3.5	123
	BEQ	11.6	406
	Applied Training Bldg	2.1	74
	Child Care Center	2.1	74
	Fire Training Sch Act	8.4	294
	EM/IM Scol Expan	3.6	126
INDIANA			
Crane NAVWPNSUPPCEN	Component Finishing Fac	5.0	175
	Electronic Test Lab	4.4	154
Indianapolis NAVAVCEN	Storage Building	3.9	137
	Avionics	10.8	378
MAINE			
Brunswick NAS	Physical Security	1.9	67
	Hangar	10.0	350
MARYLAND			
Annapolis NAVACAD	General Warehouse	2.5	88
	Family Services Ctr	5.5	193
Bethesda NMRI	Environmental Laboratory	6.0	210
Cheltenham NCU Wash	Correct Fire Protect Def	2.6	91
Indian Head NOS	Propulsion Engr Office	3.9	137
	Cure Facility	2.4	84
	BEQ	3.6	126
Patuxent River NATC	Acft Maint Fac Tacano	33.0	1155
	Facility Energy Improve	2.9	102
	Support Facility	2.4	84
	T&E Instrumentation Fac	11.2	392

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1985 ($000)
MISSISSIPPI			
Meridian NAS	Fac Energy Improvements	7.9	277
	BEQ Mod	2.3	81
MISSOURI			
Bay St Louis NAVOCEANO	Oceanography Bldg	1.5	53
NEW HAMPSHIRE			
Portsmouth NSY	Pier Mod Berths 11/12/13	42.0	1470
NEW JERSEY			
Earle NWS	Smokeless PDR Projectl Mag	13.4	469
	Ship Fuel Replenish Sys	25.0	875
	Family Svc Center	4.8	168
	Dredging (Phase II)	18.0	630
	Electrical Distr	1.7	60
Lakehurst AIRENGCEN	HVAC	6.6	231
NEVADA			
Fallon NAS	Warehouse (F-18)	1.9	67
NEW YORK			
New York NAVSTA	Administrative Office	7.2	252
	Security Admin Bldg	6.6	231
	CBU Complex	2.0	70
	Hobby/Craft Shops	2.6	91
	General Warehouse Navy	4.2	147
	Public Works (PH 2)	5.2	182
	Physical Fitnes (PH 2)	3.6	126
	Util/Site Work	8.1	284
NORTH CAROLINA			
Camp Lejeune MCB	Steam & Condensate Sys	1.2	42
	Electr Safety Impvs	1.1	39
	Oil Spill Prevention	2.4	84
Cherry Point NARF MCAS	Aircraft Rework Fac Addn	1.1	39
	Cleaning Shop	18.7	655
PENNSYLVANIA			
Mechanicsburg SPCC	Flt Spt Mgmt Office	2.9	102
Philadelphia ASO	Admin Office Modernization	1.5	53
Philadelphia NAVSSERS	Unrep Test Facility	5.1	179
Philadelphia NAVSTA	BEQ	9.7	340
	Brig Modernization	4.3	151
Philadelphia NSY	Wtr Distr Sys Impr	13.0	455
	Waterfront Supply Bldg	20.0	700
RHODE ISLAND			
Newport NAVUWSYSCEN	Public Works Shops	4.7	165
	RDT&E Storage Facility	1.6	56

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1985 ($000)
RHODE ISLAND			
Newport NETC	Boiler Plant Mod	9.8	343
	Gas Cylinder Storage	4.2	147
	Upgrade Elec Distr	7.9	277
SOUTH CAROLINA			
Charleston NSC	Servmart	2.4	84
	Lumber & Pallet Strf Sheds	1.4	49
Charleston NSY	Fire Safety	2.5	88
	Building & Struct Improvs	2.9	102
	HVAC	2.9	102
	Tomahawk Missile Mag	3.8	133
	Sealift Spt Facs Warehse	6.5	228
	Elect Distr Sys Improv	3.8	133
	ASW Bldg	6.0	210
	Eng Mgt Ctr	6.3	221
TENNESSEE			
Millington NAS	Family Services Center	9.2	322
	Approach Lighting	3.3	116
	Administrative Office	7.8	273
	Marine Brks-Gen Purp Bldg	4.2	147
TEXAS			
Corpus Christi NAS	Supp Fac GCH	33.7	1180
	Ventilation Improvements	4.3	151
	Modern AF Lighting	6.5	228
Key West NAS	Acft Washdown Sys	4.3	151
	A/C Loading Area	3.6	126
Kingsville NAS	Fire Crash Facility	8.3	291
VIRGINIA			
Chesapeake NSGA NW	Gymnasium	6.8	238
Dam Neck FCTCLANT	BEQ	5.5	193
	Ammo Storage Facs	1.6	56
	AIB Expansion	2.8	98
	Post Office	4.2	147
	Child Care Center	5.8	203
Dam Neck NAVGMSCOL	Training Facility	3.5	123
Dam Neck NAV OCEAN PRO	Training Bldg Exp	1.8	63
Little Creek NAVPHIBASE	Barracks	8.2	287
	Boiler Plant Addn	1.2	42
	Amphibious Operations Bldg	5.9	207
	Seal Team Ops Facility	6.0	210
	LSD45 Support Pier	3.3	116
	Small Arms Range	1.2	42
Little Creek PHIBSCOL	Shipbuilding Trng Facs	4.5	158
Norfolk FLEASWTRACEN	Trng Bldg Expansion	1.6	56

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1985 ($000)
VIRGINIA			
Norfolk FTC	Engr Oper Tr Fac	6.8	238
	Applied Inst/Admin Fac	4.7	165
Norfolk LANTFLTHOSPACT	CSL Hdqtrs Admin Off	7.1	249
Norfolk NARF	A/C Surface Finish	7.8	273
	Lighting System	3.1	109
Norfolk NAS	Helicopter Hangars II	11.8	413
	Enlisted Mess Hall	1.4	49
Norfolk NAVADMCOM AFSC	BEQ	6.1	214
Norfolk NAVCAMS LANT	VLF Ant Mods-Annapolis	1.9	67
Norfolk NAVEDTRASUPCEN	Train Support Ctr I	6.9	242
Norfolk NS	Fleet Recreation Fac (NAS)	3.2	112
	Acft Fire/Rescue	7.2	252
	Fire Station	9.4	329
	BEQ Modernization	10.6	371
	Fuel Opers Bldg-CI	1.5	53
	AC Components Strg Sheds	1.5	53
	Flt Personal Prop Off	8.3	291
	Auxiliary Gen-Cold Strg Plt	3.0	105
Norfolk NSY	Waterfront Elec Distr	9.6	336
Oceana NAS	Fxd Acft Start Sys-H 200	4.9	172
	Ground Elec Bldg	6.9	242
	Religious Education Ctr	5.7	200
	Data Process Center	1.2	42
Williamsburg NSC	Sealift Supp Sys	6.0	210
Yorktown NWS	Tomahawk Magazine	5.4	189
	Missile Magazine	12.2	427
	Quaywall	7.3	256
	Skipper Magazine	1.8	63
	Sidewinder Magazine	1.8	63
	Walleye Magazine	1.8	63
	Maverick Magazine	1.8	63
WASHINGTON			
Bangor NAVSUBASE	Child Care Center	2.4	84
	Rifle Range Imp & Land Acq	1.6	56
	Roads & Gnds Maint Shop	2.5	88
	Oily Waste Reco	1.4	49
	U&SI	8.6	301
	Transportation Facility	1.3	46
Bangor TRIDENT REFITFA	Drydock Cover	2.0	70
	ADP Support Fac	2.3	81
	Rif to Waterfront	2.4	84
	Supply Complex	10.9	382
Bremerton NAVHOSP	BEQ	1.0	35

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1985 ($000)
WASHINGTON			
Everett NS	GSE Shop	4.0	140
	Public Works Facility	2.0	70
	CV Transit Shed	5.7	200
	Barracks/Mess	19.0	665
Jim Creek OSO NRS	Emergency Power	1.2	42
Keyport USEAWARENGSTA	Missile Mag	3.5	123
	Open Storage	5.3	186
	Pier Renovation	6.5	228
	Target & Pinger Fac	2.6	91
	Physical Sec Fac	28.0	980
	PW Maint Shop	3.0	105
Puget Snd Bremerton	Hazardous/Flammable Strhse	12.0	420
	Beham Canal	18.0	630
Seattle NS	Mag Silence Fac	7.2	252
Seattle SUPSHIP	Admin Office	4.1	144
Silverdale STRATWEPFAC	Inert Comp Proc Addn	4.3	151
	Missile Assemb Bldg #3	12.8	448
Whidbey Is NAS	AC Inter Maint Facs	6.5	228
	AIB Modern	3.6	126

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1985 ($000)
	OUTSIDE THE UNITED STATES		
AUSTRALIA			
Harold E. Holt NCS	Diesel Fuel Storage	9.5	333
	Comcen Fire Protection	4.0	140
BAHAMAS			
Andros Island NUSC	BEQ	4.0	140
BRITISH WEST INDIES			
Bermuda NAS	Physical Security	2.0	70
Diego Garcia NAVSUPFAC	Storage Area	8.0	280
	Dental Clinic	1.8	63
CUBA			
Guantanamo Bay NS	Potable Wtr Storage Tank	1.9	67
	Fire/Fresh Water	2.9	102
	Bach Civ Quarters	4.6	161
Guantanamo Bay SIMA	SIMA Storage Fac	1.5	53
Guantanamo Bay NAS	Corrosion Control Hangar	2.1	74
ICELAND			
Keflavik NSC	Switch Gear Mod	4.0	140
Keflavik NS	Fuel Facs	15.5	543
ITALY			
Sigonella NAS	Constr Batt Spt Facs	15.6	546
	ADP Facility	1.7	60
JAPAN			
Atsugi NAF	Aircraft Parking Apron	37.3	1306
Yokosuka NCS	Steam & Condensate System	1.1	39
MARIANAS ISLANDS			
Guam Agana	Improve Airfield Lighting	3.9	137
Guam NAVCAMS WESTPAC	Fire Protection Bldg	8.4	294
	Security Fence	4.5	158
	Fire Protection System	1.5	53
Guam NAVSTA	Road Improvs-MPS	3.3	116
Guam NSD	Fire Protection System	2.3	81
	Waterfront Transit Shed	5.88	206

Location	Project	Estimated Project Cost ($ MIL)	Estimated Design Obligation in FY 1985 ($000)
PUERTO RICO			
Roosevelt Roads NS	Child Care Center	1.7	54
REPUBLIC OF THE PHILIPPINES			
Cubi Point NAS	High Explosive Magazine	2.3	81
San Miguel NAVCOMSTA	Automated Message Exchange	2.9	102
Subic Bay NAVHOSP	Facility Energy Improve	2.4	84
Subic Bay NM	Ammo Rewrk & Ovhl Shop	4.2	147
	Missile Maint & Assbly Shp	1.4	49
	Ammo Segregation Fac	1.8	63
Subic Bay NS	Marine Brks-Gen Purp Bldg	1.5	53
	BEQ	8.1	284
	Admin Facs Sprinkler Sys	4.5	158
Subic Bay NSD	Fire Protection Systems	3.9	137
	Cold Storage Warehouse	5.8	203
Subic Bay PWC	PW Maint Strg	9.2	322
	Haz Matrl Strg & Hand Facs	5.0	175
	Elec Pwr Plant Expan (1)	34.0	1190
SPAIN			
Rota NS	Gymnasium	1.2	42
	BEQ	5.4	189
UNITED KINGDOM			
Brawdy NAS	Admin/Supply Bldg	4.9	172
Holy Loch NAVSUPPACT	Public Works Facility	1.6	56
London NAVACTS	UEPH	10.0	350
Thurso MCS	BOQ and Mess	4.4	154

AIR FORCE
MILITARY CONSTRUCTION PROGRAM

BASE	HOST	TITLE	SCOPE	UM	PROG AMT
ALASKA V	AAC	ALASKAN OTH-B REAL EST ACQ	2,900	AC	5,800
ALASKA V	AAC	ALASKAN OTH-B POWER PLANT	10,000	KW	61,698
ALASKA V	AAC	ALASKAN OTH-B TECH SUPP FAC		LS	10,000
BASE 47	AAC	ADAL SIMULATOR FACILITY	5,330	SF	1,550
BASE 47	AAC	NEW HYDRAZINE FACILITY		LS	1,100
BASE 47	AAC	ADAL ENGINE INSPECTION/RPR FAC		LS	2,350
BASE 47	AAC	ALTER AVIONICS FACILITY	16,865	SF	520
BASE 47	AAC	HUSH HOUSE FOUNDATION	12,844	SF	630
EIELSON	AAC	TRANSPORTATION COMPLEX	63,200	SF	11,000
EIELSON	AAC	MAINTENANCE COMPLEX	19,300	SF	4,800
EIELSON	AAC	ADAL BASE CIVIL ENGINEER FACS	128,100	SF	14,400
EIELSON	AAC	CHAPEL CENTER		LS	3,815
EIELSON	AAC	SQUADRON OPERATIONS BLDG	21,960	SF	4,400
EIELSON	AAC	UNACCOMPANIED OFF & NCO QTRS	387	PN	23,000
EIELSON	AAC	UPGRADE QUARRY HILL ROAD	38,900	LF	4,850
EIELSON	AAC	CIVIL ENGINEERING OFFICES	16,335	SF	3,050
EIELSON	AAC	ALT UNACC ENL PERS HSG	114	PN	2,750
EIELSON	AAC	MUNITIONS HOLDING AREA	13,000	SF	3,950
EIELSON	AAC	UTILIDOR EXPANSION	4,400	LF	8,761
ELMENDOR	AAC	FIRE PIT & RESCUE TRAIN AREA		LS	1,250
ELMENDOR	AAC	ALT UNACC ENLIST PERS HSG	336	PN	6,900
ELMENDOR	AAC	ADAL ACFT MAINTENANCE UNIT	10,200	SF	1,500
GALENA	AAC	UPGRADE WATER DISTR SYS		LS	8,000
GALENA	AAC	COMPOSITE BCE/MAINT FACILITY	40,865	SF	11,200
GALENA	AAC	ALERT HANGAR/AGE FACILITY	25,500	SF	10,400
KING SAL	AAC	COMMUNICATIONS FACILITY	6,000	SF	4,750
KING SAL	AAC	BCE MAINT/VEH MAINT COMPLEX	30,145	SF	6,100
SHEMYA	AAC	BASE CIVIL ENGR COMPLEX	27,850	SF	8,195
SHEMYA	AAC	ADAL CONSOLIDATED OPEN MESS	15,300	SF	4,700
SHEMYA	AAC	FIRE PROTECTION SYSTEMS	80,300	SF	1,250
SHEMYA	AAC	UNACC ENLISTED PERS HSG	258	PN	24,000
SHEMYA	AAC	ADAL MECH/ELEC SYSTEMS		LS	2,750
SHEMYA	AAC	RECREATION CENTER	19,000	SF	7,200
SHEMYA	AAC	UPGRADE WATER SYSTEM, PHASE II		LS	4,000
SHEMYA	AAC	POL OPERATIONS FACILITY	6,225	SF	5,300
BOLLING	ADW	ALTER UNACC ENL PERS HSG	994	PN	12,075
USAF ACA	AFA	ADAL PREP SCHOOL FACS	95,550	SF	3,400
USAF ACA	AFA	ADD TO CADET REC BUILDING		LS	5,393
USAF ACA	AFA	ADAL COMMUNITY CTR GYM	15,800	SF	1,650
USAF ACA	AFA	AUXILIARY AIRFIELD		LS	1,100
USAF ACA	AFA	CRASH RESCUE/STRUCTURAL FIRE S	6,300	SF	850
USAF ACA	AFA	ADD TO CADET REC BUILDING		LS	3,999
AHLHORN	AFE	ACFT MAINT UNIT	2,400	SF	350
ALCONBUR	AFE	SQUADRON OPERATIONS CB CELL	2,600	SF	1,000
ALCONBUR	AFE	ALT UNACC ENL PERS HSG	206	PN	1,900
ALCONBUR	AFE	ADD TO AND ALTER CHAPEL	10,450	SF	1,100
ALCONBUR	AFE	WATER STORAGE	461	KG	900
ALCONBUR	AFE	TR-1-UNACC OFF PERS HSG	30	PN	1,140
ALCONBUR	AFE	UNACC OFFICER PERS HSG	30	PN	1,250
ALCONBUR	AFE	ALT LAUNCH & RECOVERY SURFACE	89,400	SY	3,800

AIR FORCE
MILITARY CONSTRUCTION PROGRAM

BASE	HOST	TITLE	SCOPE	UM	PROG AMT
ALCONBUR	AFE	UNACC ENL PERSONNEL HSG	200	PN	5,400
ANKARA	AFE	ALT UNACC ENL PERS HSG	192	PN	2,450
ANKARA	AFE	2ND ECH MEDICAL LOGISTICS STOR	4,100	SF	440
AVIANO	AFE	ADAL BASE CIVIL ENGRG ADMIN	12,200	SF	840
AVIANO	AFE	SQUADRON OPS CB CELL	2,600	SF	960
BASE 29	AFE	PLSS-OPS AND MAINT FAC	13,500	SF	1,149
BASE 29	AFE	PLSS-UNACC ENLISTED PERS HSG	92	PN	2,470
BASE 30	AFE	GYMNASIUM	42,840	SF	1,450
BENTWATE	AFE	HOT PIT REFUELING COMPLEX		LS	1,200
BENTWATE	AFE	SECURITY POLICE OPS FACILITY	12,000	SF	1,150
BENTWATE	AFE	ADAL FIRE STATION	8,950	SF	780
BENTWATE	AFE	CONSOLIDATED SUPPORT CENTER	64,350	SF	6,100
BENTWATE	AFE	CHAPEL CENTER	16,300	SF	1,800
BENTWATE	AFE	SECURITY LIGHTING		LS	600
BITBURG	AFE	VEHICLE MAINTENANCE FACILITY	10,200	SF	1,450
BITBURG	AFE	ADAL FIRE STATION	4,715	SF	650
BITBURG	AFE	ALT UNACC ENL PERS HSG	288	PN	4,200
BITBURG	AFE	CHILD CARE CENTER	7,140	SF	830
BITBURG	AFE	BRANCH POST OFFICE	5,400	SF	530
BITBURG	AFE	UNACC ENLISTED PERS HSG	324	PN	4,800
BITBURG	AFE	ADAL GYMNASIUM	13,500	SF	1,400
CHICKSAN	AFE	DIGITAL EUROPEAN BACKBONE FAC	3,700	SF	1,250
CHICKSAN	AFE	SUPPLY WAREHOUSE	23,000	SF	1,050
CHICKSAN	AFE	VISITING OFFICERS QTRS	50	PN	1,500
COMISO	AFE	GLCM-VEHICLE MAINT FACILITIES		LS	2,250
COMISO	AFE	GLCM-COMMUNICATIONS SQUAD FAC	4,600	SF	500
COMISO	AFE	GLCM-ADD C/W CELL HF TELECOM	1,500	SF	600
COMISO	AFE	GLCM-SECURITY POLICE OPS	5,050	SF	600
COMISO	AFE	GLCM-ADD/ALTER BASE COLD STOR	5,500	SF	950
CP NEW A	AFE	UNACC ENLISTED PERS HSG	288	PN	4,400
CP NEW A	AFE	UNACC OFFICER PERS HSG	20	PN	1,150
CP NEW A	AFE	CONSOLIDATED SUPPORT CENTER	40,625	SF	4,600
CP NEW A	AFE	EQUIPMENT STORAGE WAREHOUSE		LS	910
CP NEW A	AFE	UNACC ENL PERSONNEL HSG	228	PN	4,000
CROUGHTO	AFE	ADAL WATER DISTRIBUTION SYSTEM	2,271	LM	790
CROUGHTO	AFE	ALT UNACC ENL PERS HSG	270	PN	3,000
EINSIDLE	AFE	ALT VISITING OFFICER QTRS	50	PN	1,550
FAIRFORD	AFE	DIGITAL EUROPEAN BACKBONE FAC	3,700	SF	601
FAIRFORD	AFE	JET FUEL STORAGE	31,500	BL	5,000
FAIRFORD	AFE	ADAL BASE GYMNASIUM	25,800	SF	1,690
FLORENNE	AFE	GLCM-COMMUNICATIONS SQUAD FAC	4,600	SF	510
FLORENNE	AFE	GLCM-COLD STOR/SUBSIST WHSE	6,100	SF	1,100
FLORENNE	AFE	GLCM-TEMPORARY LIVING FAC	19,000	SF	1,300
FLORENNE	AFE	GLCM-ADD C/W CELL HF TELECOM	1,500	SF	650
FLORENNE	AFE	GLCM-SECURITY POLICE OPERATIONS	7,580	SF	800
FLORENNE	AFE	GLCM-VEHICLE MAINT FACILITIES		LS	1,500
FLORENNE	AFE	WING COMMAND POST CB CELL	2,600	SF	1,000
FLORENNE	AFE	CSC CB CELL	2,600	SF	1,000
FLORENNE	AFE	GLCM-FIRE STATION NO. 2	2,860	SF	330
GREENHAM	AFE	FIRE STATION	15,300	SF	1,850

AIR FORCE
MILITARY CONSTRUCTION PROGRAM

BASE	HOST	TITLE	SCOPE	UM	PROG AMT
GREENHAM	AFE	UNACC ENLISTED PERS HSG	312	PN	4,500
GREENHAM	AFE	EQUIPMENT STORAGE WAREHOUSE	14,000	SF	800
HAHN	AFE	WEAP STOR & SEC SYS (WS3) FAC	36	EA	5,400
HAHN	AFE	PETROLEUM OPERATIONS FACILITY	3,300	SF	500
HAHN	AFE	REFUELING VEHICLE PARKING AREA	10,200	SY	1,260
HAHN	AFE	UNACC ENLISTED PERS HSG	432	PN	3,200
HAHN	AFE	SECURITY LIGHTING		LS	500
HAHN	AFE	MUNITIONS SQUADRON ADMIN	6,250	SF	600
HAHN	AFE	UNACC OFFICER PERS HSG	22	PN	840
HESSISCH	AFE	SECURITY POLICE OPS FACILITY	5,000	SF	750
HIGH WYC	AFE	UNACC ENLISTED PERS HSG	56	PN	820
INCIRLIK	AFE	SECURITY LIGHTING		LS	310
INCIRLIK	AFE	RRR EQUIPMENT STORAGE FACILITY	17,000	SF	953
INCIRLIK	AFE	VISITING AIRMEN QUARTERS	284	PN	3,750
INCIRLIK	AFE	UNACC OFFICER PERS HSG	64	PN	2,550
INCIRLIK	AFE	AVIONICS MAINT FAC CB CELL	2,600	SF	1,110
INCIRLIK	AFE	SOUND SUPPRESSOR SUPT		LS	1,697
LAHR	AFE	CHEM WARFARE PROTECT-SQ OPS	5,200	SF	1,600
LAKENHEA	AFE	ALTER WATER DISTR SYS	59,000	LF	3,336
LAKENHEA	AFE	STORM DRAINAGE DISPOSAL	16,060	LF	800
LAKENHEA	AFE	CONSOLIDATED SUPPORT CENTER	73,500	SF	7,500
LAKENHEA	AFE	COMBAT ARMS RANGE	4,250	SF	830
LAKENHEA	AFE	UNACC ENLISTED PERS HSG	432	PN	6,100
LAKENHEA	AFE	BASE OPERATIONS FACILITY	8,700	SF	1,050
LAKENHEA	AFE	SQUAD OPERATIONS CB CELL	2,600	SF	1,400
LAKENHEA	AFE	SQUADRON OPERATIONS CB CELL	2,600	SF	1,358
LEIPHEIM	AFE	AIRCRAFT MAINTENANCE UNIT FAC	2,400	SF	350
LUXEMBOU	AFE	3/4 ECH MEDICAL LOGISTICS STOR	300,000	SF	17,651
MILDENHA	AFE	CHILD CARE CENTER	7,140	SF	750
MILDENHA	AFE	ALTER WATER DISTRIBUTION SYS	31,700	LF	4,200
MILDENHA	AFE	ADD TO SEWAGE TREATMENT		LS	1,350
MILDENHA	AFE	ADAL GYMNASIUM	4,965	SF	540
MILDENHA	AFE	SECURITY LIGHTING		LS	542
MOLESWOR	AFE	GLCM-COMMUNICATIONS SQUAD FAC	3,870	SF	450
NORVENIC	AFE	ACFT MAINT UNIT	2,400	SF	350
PIRINCLI	AFE	CONSOLIDATED SUPPORT CENTER	13,000	SF	1,400
PRINCLIK	AFE	COMPOSITE RECREATION CENTER	12,000	SF	1,300
PRUEM	AFE	WAREHOUSE	13,100	SF	680
PRUEM	AFE	OPERATIONS FACILITY	6,200	SF	450
PRUEM	AFE	CHAPEL CENTER	10,350	SF	970
RAMSTEIN	AFE	WEAP STOR & SEC SYS (WS3) FAC	32	EA	4,800
RAMSTEIN	AFE	WAREHOUSE	40,000	SF	2,100
RAMSTEIN	AFE	WAREHOUSE	40,000	SF	2,100
RAMSTEIN	AFE	AUDIOVISUAL CENTER	9,800	SF	1,400
RAMSTEIN	AFE	COMBAT ARMS RANGE SUPPORT	5,350	SF	650
RAMSTEIN	AFE	MUNITIONS MAINTENANCE SQUADRON	10,000	SF	1,150
RAMSTEIN	AFE	TRAILER MAINTENANCE FACILITY	8,700	SF	1,500
RAMSTEIN	AFE	CONSOLIDATED REC BAND FACILITY	27,000	SF	3,450
RAMSTEIN	AFE	LOGISTICS FACILITY ADDITION	15,000	SF	1,350
RAMSTEIN	AFE	FIRE STATION	5,000	SF	560

AIR FORCE
MILITARY CONSTRUCTION PROGRAM

BASE	HOST	TITLE	SCOPE	UM	PROG AMT
RAMSTEIN	AFE	PEST MGMT HAZARDOUS STOR FAC	8,935	SF	580
SAN VITO	AFE	EDUCATION CENTER	4,000	SF	355
SAN VITO	AFE	FAMILY SUPPORT CENTER	2,000	SF	220
SAN VITO	AFE	ALT UNACC ENL PERS HSG	320	PN	3,600
SCULTHOR	AFE	MUNITIONS STOR IGLOOS	11	EA	2,350
SEMBACH	AFE	UPGRADE WATER DISTRIBUTION	19,100	LF	2,250
SEMBACH	AFE	SECURITY POLICE OPERATIONS	13,000	SF	1,400
SEMBACH	AFE	WAREHOUSE	40,000	SF	2,354
SEMBACH	AFE	ALT LAUNCH & RECOVERY SURFACE	89,400	SY	4,000
SPANGDAH	AFE	WEAP STOR & SEC SYS (WS3) FAC	24	EA	3,502
SPANGDAH	AFE	SECURITY POLICE OPS FACILITY	9,500	SF	950
SPANGDAH	AFE	GYMNASIUM	14,700	SF	1,500
SPANGDAH	AFE	COMBAT ARMS TRAINING FACILITY	1,800	SF	470
SPANGDAH	AFE	SECURITY LIGHTING		LS	800
SPANGDAH	AFE	UNACC ENLISTED PERS HSG	216	PN	3,100
SPANGDAH	AFE	CONSOLIDATED SUPPORT CENTER	43,100	SF	6,300
SPANGDAH	AFE	ALT UNACC ENL PERS HSG	360	PN	5,000
TORREJON	AFE	ECIP-STEAM & CONDENSATE SYS		LS	350
TORREJON	AFE	MEDICAL CONTINGENCY COMPLEX	63,000	SF	2,900
TORREJON	AFE	ACFT MAINT COMPLEX	27,100	SF	2,450
TORREJON	AFE	FLIGHTLINE SECURITY		LS	310
TORREJON	AFE	EXPLOSIVE ORDINANCE DISP FAC	4,800	SF	980
TORREJON	AFE	F-16-LATERAL TAXIWAY HOT CARGO	48,200	SY	1,800
TORREJON	AFE	AIR FREIGHT TERMINAL	75,000	SF	5,743
TORREJON	AFE	SEWAGE PLANT ADD	1,200	KG	7,500
UPPER HE	AFE	CONSOLIDATED SUPPORT CENTER	55,300	SF	4,700
UPPER HE	AFE	HYDRANT REFUELING SYS & STOR		LS	7,300
WELFORD	AFE	FIRE STATION	6,220	SF	840
WELFORD	AFE	MUNITIONS IGLOOS	4	EA	1,599
WENIGERA	AFE	MUNITIONS SEC LIGHTING		LS	590
WOENSDRE	AFE	GLCM-PHYSICAL TRAINING FAC	25,800	SF	2,750
WOENSDRE	AFE	GLCM-CHILD CARE CENTER	4,700	SF	521
WOENSDRE	AFE	GLCM-CHAPEL CENTER	13,500	SF	1,850
WOENSDRE	AFE	GLCM-BASE THEATER	3,700	SF	720
WOENSDRE	AFE	GLCM-ATHLETIC FIELDS/COURTS		LS	600
WOENSDRE	AFE	GLCM-SERVICES SUPPLY WAREHOUSE	10,800	SF	820
WOENSDRE	AFE	GLCM-GROUP HEADQUARTERS FAC	56,700	SF	4,850
WOENSDRE	AFE	GLCM-TRAFFIC MANAGEMENT FAC	16,000	SF	1,750
WOENSDRE	AFE	GLCM-VISITING OFFICER QTRS	30	PN	1,200
WOENSDRE	AFE	GLCM-COMPOSITE MEDICAL FAC	38,000	SF	9,140
WOENSDRE	AFE	GLCM-MEDICAL WAREHOUSE	4,000	SF	360
WOENSDRE	AFE	GLCM-VISITING AIRMEN QTRS	42	PN	1,150
WOENSDRE	AFE	GLCM-FORMS & PUBLICATIONS WHSE	4,000	SF	320
WOENSDRE	AFE	GLCM-DATA PROCESSING FACILITY	7,400	SF	1,450
WOENSDRE	AFE	GLCM-VEHICLE MAINT FACILITIES		LS	1,400
WOENSDRE	AFE	GLCM-ADMINISTRATIVE SUPT CTR	22,450	SF	3,050
WOENSDRE	AFE	GLCM-COMMUNITY REC FACILITY	14,700	SF	1,480
WOODBRID	AFE	CW-SQUADRON OPS CB CELL	2,600	SF	1,000
WOODBRID	AFE	AGE AND GUN SHOP	2,400	SF	600
WOODBRID	AFE	ALT UNACC ENL PERS HSG	212	PN	2,500

AIR FORCE
MILITARY CONSTRUCTION PROGRAM

BASE	HOST	TITLE	SCOPE	UM	PROG AMT
WUESCHHE	AFE	WING CMD POST CW PROTECTION	2,600	SF	960
WUESCHHE	AFE	CENTRAL SEC CTL CW PROTECT	2,600	SF	960
WUESCHHE	AFE	GLCM-ADD C/W CELL HF TELECOM	1,500	SF	650
ZARAGOZA	AFE	CONTROL TOWER	6,400	SF	1,650
ZARAGOZA	AFE	FLIGHTLINE SECURITY		LS	177
ZARAGOZA	AFE	ADAL GYMNASIUM	8,700	SF	1,250
ZARAGOZA	AFE	RRR EQUIPMENT STORAGE	17,000	SF	2,300
ZWEIBRUC	AFE	UNACC ENLISTED PERS HSG	96	PN	1,328
ZWEIBRUC	AFE	UNACC ENLISTED PERS HSG	160	PN	2,500
ZWEIBRUC	AFE	FAMILY SUPPORT CENTER	2,000	SF	105
ZWEIBRUC	AFE	UNACC ENL PERSONNEL HSG	432	PN	7,507
ZWEIBRUC	AFE	TRANSPORTATION MANAGEMENT	4,000	SF	700
BUCKLEY	ANG	ADAL AEROSPACE DATA FAC	125,900	SF	21,000
CHANUTE	ATC	MEDICAL WRM FACILITY	3,340	SF	340
CHANUTE	ATC	RECRUITING GROUP FACILITY	8,900	SF	860
CHANUTE	ATC	UNACC OFFICER PERS HSG	100	PN	4,300
CHANUTE	ATC	COLD STORAGE FACILITY	24,000	SF	4,400
CHANUTE	ATC	CONSOL BASE PERS OFFICE	84,830	SF	,600
CHANUTE	ATC	ALT UNACC ENL PERS HSG-PH I	432	PN	,000
COLUMBUS	ATC	BCE COMPLEX	53,300	SF	3,750
COLUMBUS	ATC	ACFT CORROSION CONTROL FAC	8,100	SF	1,200
GOODFELL	ATC	MISSION SUPPORT COMPLEX	45,300	SF	3,350
GOODFELL	ATC	RECREATION CENTER	25,300	SF	2,650
GOODFELL	ATC	SCI FACILITY	54,000	SF	4,650
GOODFELL	ATC	GYMNASIUM	28,500	SF	3,700
GOODFELL	ATC	CHAPEL CENTER	17,000	SF	3,450
KEESLER	ATC	RPL SQUADRON OPERATIONS FAC	36,000	SF	6,797
KEESLER	ATC	ALT UNACC ENLIST PERS HSG	1,104	PN	15,000
KEESLER	ATC	GYMNASIUM	28,500	SF	4,700
LACKLAND	ATC	UNACC PERSONNEL HSG-DLI	900	PN	21,000
LACKLAND	ATC	DINING HALL	2,000	PN	4,850
LAUGHLIN	ATC	VEH MAINT/POL COMPLEX	17,300	SF	2,050
LAUGHLIN	ATC	SURVIVAL EQUIPMENT SHOP	8,950	SF	790
LAUGHLIN	ATC	CONTRACTING FAC	6,200	SF	530
LAUGHLIN	ATC	UNACC ENL PERSONNEL HSG	212	PN	4,500
MATHER	ATC	FUEL SYS MAINTENANCE DOCK	17,600	SF	2,500
MATHER	ATC	BASE FLIGHT OPERATIONS FAC	16,400	SF	2,500
MATHER	ATC	ADD TO PARACHUTE SHOP	3,000	SF	550
RANDOLPH	ATC	RELIGIOUS EDUCATION FACILITY	14,800	SF	1,750
RANDOLPH	ATC	UNACC ENLISTED PERS HSG	335	PN	5,000
RANDOLPH	ATC	UNACC OFFICER PERS HSG	80	PN	3,900
RANDOLPH	ATC	ACFT MAINT COMPLEX	138,180	SF	15,500
REESE	ATC	SURVIVAL EQUIPMENT SHOP	10,800	SF	1,500
REESE	ATC	ADD TO SECURITY POLICE OPS	3,000	SF	840
SHEPPARD	ATC	UNACC OFFICER PERS HSG	120	PN	5,700

AIR FORCE
MILITARY CONSTRUCTION PROGRAM

BASE	HOST	TITLE	SCOPE	UM	PROG AMT
SHEPPARD	ATC	ADAL MEDICAL TRAINING COMPLEX	254,500	SF	16,100
SHEPPARD	ATC	EDUCATION CENTER	17,608	SF	1,700
WILLIAMS	ATC	JET ENGINE MAINTENANCE SHOP	34,400	SF	3,400
WILLIAMS	ATC	BASE FLIGHT OPNS FAC	8,700	SF	1,150
WILLIAMS	ATC	BCE COMPLEX	26,900	SF	1,950
WILLIAMS	ATC	ALT UNACC ENL PERS HSG	412	PN	5,400
GUNTER	AUN	EXTENTION COURSE INSTITUTE	114,000	SF	9,800
GUNTER	AUN	VISITING OFFICER QUARTERS	50	PN	1,850
GUNTER	AUN	OPS & TRAINING FACS		LS	7,395
MAXWELL	AUN	BASE SUPPLY FACILITY	151,250	SF	6,450
MAXWELL	AUN	SECURITY POLICE OPERATIONS FAC	13,700	SF	1,600
MAXWELL	AUN	VISITING AIRMEN QUARTERS	25,715	SF	1,600
MAXWELL	AUN	TELEPHONE EXCHANGE		LS	800
MAXWELL	AUN	CONSOLIDATED SUPT COMPLX	124,000	SF	9,800
MAXWELL	AUN	FIRE STATION	10,780	SF	1,500
MAXWELL	AUN	REPL TAXIWAY RAMP	111,200	SY	3,700
HILL	LOG	GAPFILLER RADAR: BOVINE MT	1	EA	1,533
HILL	LOG	NDI FACILITY (LIFT)	9,000	SF	1,450
HILL	LOG	COMBAT LOG SUPT FAC	32,000	SF	3,100
HILL	LOG	ADAL INTEGRATION SPT FAC	49,100	SF	6,800
HILL	LOG	ADAL METAL PROCESS SHOP	17,730	SF	1,300
HILL	LOG	COMD CONTL & COMM FAC	52,600	SF	6,806
HILL	LOG	PKR-ADAL STATIC TEST STAND		LS	3,800
HILL	LOG	MISSILE MAINT SHOP	9,300	SF	2,350
HILL	LOG	PKR-STAGE I STORAGE	21,200	SF	4,200
HILL	LOG	PKR-STAGE II & III STORAGE	74,200	SF	12,458
HILL	LOG	STRUCTURAL REPAIR & MAINT FAC	284,000	SF	27,900
HILL	LOG	DEPOT WAREHOUSE	328,000	SF	20,000
KELLY	LOG	ADAL CRYPTOLOGIC SUPPORT CTR	129,200	SF	18,002
KELLY	LOG	JET FUEL STORAGE	55,000	BL	2,250
KELLY	LOG	DEPOT WAREHOUSE	480,000	SF	20,542
MCCLELLA	LOG	FIRE SPRINKLER SYSTEMS	1,000,000	SF	1,850
MCCLELLA	LOG	SOUND SUPPRESSOR SUPPORT	2	EA	1,450
MCCLELLA	LOG	VEHICLE FUELING STATION	6	OL	400
MCCLELLA	LOG	ALTER ELECTRIC DIST SYSTEM	107,000	LF	4,100
MCCLELLA	LOG	ADD TO DEPOT WAREHOUSE	330,000	SF	18,100
NEWARK	LOG	ADAL SOUND FORCE VIBRATION LAB	3,250	SF	530
NEWARK	LOG	ADAL SOFTWARE &ELECTROMECH LAB	10,200	SF	1,600
ROBINS	LOG	ACFT CORROSION CONTROL FAC	63,500	SF	11,400
ROBINS	LOG	ENGINEERING TEST FAC	55,000	SF	5,700
ROBINS	LOG	ADAL WEAPONS SYSTEMS SUPT CTR	328,900	SF	9,500
TINKER	LOG	SECURITY POLICE OPS FACILITY	10,300	SF	1,300
TINKER	LOG	ECIP-FACILITY ENERGY IMPROVEM		LS	576
TINKER	LOG	AIRCRAFT FIRE PROTECTION		LS	2,400
TINKER	LOG	ADVANCED COMPOSITE REPAIR FAC	81,000	SF	10,300
TINKER	LOG	VEHICLE MAINTENANCE FACILITY	12,300	SF	2,300
TINKER	LOG	SUPPLY MGT FAC	19,700	SF	1,950
TINKER	LOG	AIRCRAFT SUPPORT EQUIP SHOP	24,000	SF	2,200
WRIGHT P	LOG	ADD TO AVIONICS RESEARCH LAB		LS	11,536
WRIGHT P	LOG	ADD TO OPTICAL SYSTEMS LAB	14,500	SF	3,560

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BASE	HOST	TITLE	SCOPE	UM	PROG AMT
WRIGHT P	LOG	ALT AERO PROP LAB FUEL STR FAC	390,000	GA	5,500
WRIGHT P	LOG	AIRCRAFT MAINT HANGER		LS	6,198
WRIGHT P	LOG	ADMINISTRATIVE FAC	41,400	SF	3,910
WRIGHT P	LOG	AVIONICS TEST SHOP	5,000	SF	900
WRIGHT P	LOG	FIR PROTECTION BASE FAC	489,623	SF	2,100
WRIGHT P	LOG	LOG SYSTEMS OPERATIONS CENTER	106,200	SF	15,000
WRIGHT P	LOG	ADAL ELECTRICAL SUBSTATION		LS	3,800
ALTUS	MAC	RECREATION CENTER	19,800	SF	1,900
ALTUS	MAC	APRON	49,500	SY	9,100
ALTUS	MAC	HANGAR	38,000	SF	3,850
CHARLEST	MAC	ADAL SQUADRON OPERATIONS FAC	8,400	SF	1,200
CHARLEST	MAC	ADAL CHILD CARE CENTER		LS	420
CHARLEST	MAC	BCE COMPLEX		LS	2,980
DOVER	MAC	ADD TO TAXIWAY	10,500	SY	1,300
DOVER	MAC	ANCILLARY EXPLOSIVE COMPLEX	27,500	SF	2,500
DOVER	MAC	BASE CIVIL ENGR ADMIN FAC	23,200	SF	2,600
EGLIN	MAC	SOUND SUPPRESSOR SUPPORT	1	EA	950
HURLBURT	MAC	COMBAT CONTROL TEAM SQ FCLTY	14,800	SF	1,500
HURLBURT	MAC	ADAL VEHICLE MAINTENANCE SHOP	14,300	SF	1,250
KIRTLAND	MAC	ALT UNACC ENL PERS HSG-PH 2	380	PN	5,450
KIRTLAND	MAC	NP BEAM/MICROWAVE LAB	25,000	SF	7,400
KIRTLAND	MAC	ADAL BASE WATER SYSTEM		LS	6,000
KIRTLAND	MAC	BASE COLD STORAGE FAC	10,000	SF	1,750
LAJES	MAC	POL STORAGE TANKS		LS	26,274
LAJES	MAC	APRON SECURITY LIGHTING		LS	4,950
LITTLE R	MAC	ADAL EXPLOSIVES ORDNANCE DISP		LS	470
MCCHORD	MAC	DINING HALL	16,750	SF	3,600
MCCHORD	MAC	ALT UNACC ENLIST PERS HSG	560	PN	9,400
MCCHORD	MAC	ALTER CONSOLIDATED ED/TRNG CTR		LS	4,750
MCCHORD	MAC	CONTROL TOWER	1	EA	2,200
MCCHORD	MAC	EXTEND PRIMARY RUNWAY	2,000	LF	13,200
MCGUIRE	MAC	ADAL GYMNASIUM		LS	1,700
MCGUIRE	MAC	ADAL CHILD CARE CENTER	15,750	SF	940
MCGUIRE	MAC	ADAL TELECOM FAC	360	SF	390
MCGUIRE	MAC	SECURITY POLICE COMPLEX	15,700	SF	2,700
MCGUIRE	MAC	ALTERNATE COMMAND POST	5,500	SF	500
MCGUIRE	MAC	ALT UNACC ENL PERS HSG-PH 3	540	PN	8,100
MCGUIRE	MAC	SQUADRON OPERATIONS	24,628	SF	2,626
NORTON	MAC	BCE COMPLEX	62,600	SF	6,900
NORTON	MAC	VAQ BILLETING OFFICE	288	PN	5,100
NORTON	MAC	REPLACE SUPPLY WAREHOUSES (3)	220,000	SF	13,111
POPE	MAC	RESOURCE MANAGEMENT COMPLEX	235,900	SF	11,625
POPE	MAC	ADAL GYMNASIUM		LS	2,500
POPE	MAC	FIELD TRAINING FAC	20,650	SF	3,100
RHEIN MA	MAC	RELIGIOUS EDUCATION FACILITY	9,000	SF	1,000
RHEIN MA	MAC	OPERATIONS COMPLEX	30,650	SF	5,500
RHEIN MA	MAC	CHEM WARF SHELTER SUPT		LS	300
RHEIN MA	MAC	ADAL AIR PASSENGER TERMINAL	93,600	SF	11,250
RHEIN MA	MAC	AIRCRAFT PARKING	29,720	SY	2,650
RHEIN MA	MAC	ADAL SQUADRON OPS FACILITY	12,047	SF	700

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BASE	HOST	TITLE	SCOPE	UM	PROG AMT
RHEIN MA	MAC	ADAL COMBAT CONTROL TEAM FAC	7,150	SF	870
RHEIN MA	MAC	RRR EQUIPMENT STORAGE	15,000	SF	983
SCOTT	MAC	RAPCON FACILITY	6,000	SF	1,200
SCOTT	MAC	WASTEWATER TREATMENT PLANT		LS	4,600
SCOTT	MAC	ADAL ADMINISTRATIVE BUILDING	149,800	SF	7,000
SCOTT	MAC	ELECTRONIC ENGINEERING HQTRS	45,625	SF	4,850
SCOTT	MAC	TELECOMMUNICATIONS FACILITY	7,000	SF	1,041
SCOTT	MAC	ALTER JRSC INTERCONNECT FAC		LS	673
SCOTT	MAC	IN-FLIGHT KITCHEN	2,800	SF	710
BASE 44	PAF	SQUADRON OPERATIONS FAC	19,700	SF	1,850
BASE 44	PAF	AVIONICS SHOP	10,000	SF	1,439
CLARK	PAF	CONOL SUPT FACS - PH II	64,900	SF	4,000
CLARK	PAF	FIRE PROTECTION-VARIOUS FACS		LS	2,150
CLARK	PAF	AEROMED EVAC AIRLIFT SQ FAC	15,000	SF	1,350
CLARK	PAF	REROUTE POL PIPELINE		LS	2,457
CLARK	PAF	ACFT SHELTER, PH-I	4	EA	6,000
CLARK	PAF	BASE CIVIL ENGINEER COMPLEX	83,500	SF	4,450
CLARK	PAF	EQUIPMENT MAINTENANCE FACILITY	5,520	SF	700
CLARK	PAF	COPE THUNDER OPERATIONS RAMP	35,000	SY	2,700
CLARK	PAF	WATER SUPPLY-STORAGE/DISTR		LS	3,000
CLARK	PAF	ALTER INTELLIGENCE FACILITY	4,000	SF	858
CLARK	PAF	LIBRARY	18,300	SF	1,750
CLARK	PAF	UNACC ENL PERS HOUSING	448	PN	7,200
CLARK	PAF	ADAL FUEL SYSTEM MAINT DOCK		LS	1,400
CLARK	PAF	UPGRADE POWER PLANT, PH V	14,000	KW	14,200
CLARK	PAF	RRR EQUIPMENT STORAGE		LS	2,210
CLARK	PAF	UNACC ENL PERSONNEL HSG	348	PN	5,500
CLARK	PAF	UPGRADE SEWAGE SYS		LS	3,000
CP HUMPH	PAF	UNACC PERS HSG/DINING HALL	161	PN	5,571
HICKAM	PAF	FIRE PROTECTION	302,000	SF	1,900
HICKAM	PAF	APRON LIGHTING	6	EA	700
KADENA	PAF	A/C GROUND EQUIP STOR FAC	9,100	SF	930
KADENA	PAF	JET FUEL STOR (JP-4)	200,000	BL	6,100
KADENA	PAF	JET JUEL STORAGE	200,000	BL	6,445
KADENA	PAF	ADD TO AIR FREIGHT TERMINAL	17,800	SF	1,600
KADENA	PAF	ADAL AVIONICS FACILITY	40,800	SF	6,100
KADENA	PAF	ALT UNACCOMPANIED PERS HSG	158	PN	3,100
KADENA	PAF	FIRE PROTECTION-ACFT MAINT FAC	133,000	SF	1,100
KADENA	PAF	REPLACE AIRMEN DINING HALL	14,500	SF	3,100
KADENA	PAF	ADAL PASSENGER TERMINAL		LS	5,600
KADENA	PAF	JET FUEL STORAGE (JP-4)PH III	100,000	BL	8,900
KIMHAE	PAF	WAREHOUSE		LS	510
KUNSAN	PAF	ALTER AIRCRAFT SHELTER DOORS	11	EA	7,200
KUNSAN	PAF	VEHICLE OPS/MAINTENANCE COMPLX	48,240	SF	4,372
KUNSAN	PAF	ACCESS TAXIWAY		LS	2,650
KUNSAN	PAF	WAREHOUSE		LS	510
KUNSAN	PAF	CHAPEL CENTER	13,300	SF	1,450
KUNSAN	PAF	UPGR ELECT DISTRIB SYS-PH III		LS	4,150
KUNSAN	PAF	SEMIHARDENED RAPCON	6,500	SF	1,600
KUNSAN	PAF	AIR BASE DENIAL		LS	1,000

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BASE	HOST	TITLE	SCOPE	UM	PROG AMT
KUNSAN	PAF	RRR EQUIPMENT STORAGE	15,000	SF	993
KUNSAN	PAF	SANITARY SEWAGE		LS	630
KUNSAN	PAF	EDUCATION FACILITY	16,660	SF	2,150
KUNSAN	PAF	SECURITY POLICE FACILITY	7,820	SF	1,150
KWANG-JU	PAF	ADAL VEHICLE MAINT/OPS FAC	9,870	SF	1,100
KWANG-JU	PAF	ALT AIRCRAFT SHELTER DOORS	21	EA	8,100
KWANG-JU	PAF	UPGRADE ELECTRICAL SYSTEM		LS	2,000
MISAWA	PAF	ECIP-HVAC		LS	410
MISAWA	PAF	UNACC ENL PERS HSG (SNCO)	40	PN	3,800
MISAWA	PAF	HAZARDOUS CARGO PAD	28,700	SF	1,500
MISAWA	PAF	HARDENED AIRCRAFT SHELTERS	6	EA	12,410
OSAN	PAF	SECURITY POLICE OPS FACILITY	14,300	SF	2,350
OSAN	PAF	UNACC ENL PERS HSG	400	PN	4,800
OSAN	PAF	ADAL AIR DIVISION HEADQUARTERS		LS	1,750
OSAN	PAF	SEWAGE TREATMENT FACILITY		LS	4,500
OSAN	PAF	MUNITIONS MAINTENANCE FACILITY		LS	2,750
OSAN	PAF	PASSENGER TERMINAL	70,800	SF	7,200
OSAN	PAF	UPG ELECT DISTRIB-PH II		LS	5,100
OSAN	PAF	CONTROL TOWER CAB	1	EA	400
OSAN	PAF	BASE OPERATIONS FACILITY	8,715	SF	1,000
OSAN	PAF	HYDRANT REFUELING	1,200	GM	7,200
SACHON	PAF	WAREHOUSE		LS	333
SUWON	PAF	HARDENED COMMAND POST	12,000	SF	3,300
SUWON	PAF	IGLOOS/MUN PRELOAD		LS	777
SUWON	PAF	SKILL DEVELOPMENT CENTER	4,000	SF	800
TAEGU	PAF	UNACC ENLISTED PERS HSG	292	PN	4,650
TAEGU	PAF	BASE SUPPLY WAREHOUSE	10,000	SF	470
TAEGU	PAF	MAINTENANCE/STORAGE FACS		LS	1,250
TAEGU	PAF	UNDERGROUND COMMAND POST	6,725	SF	2,300
TAEGU	PAF	UPGRADE SEWAGE DISTRIB SYS		LS	2,000
TAEGU	PAF	MEDICAL/DENTAL CLINIC	11,000	SF	4,200
TAEGU	PAF	AIRCRAFT SHELTER DOORS		LS	4,526
WHEELER	PAF	CHILD CARE CENTER	10,500	SF	1,200
WHEELER	PAF	ADAL ELECTRONIC INSTALL HQ		LS	735
YOKOTA	PAF	ADAL CORROSION CONTROL FAC		LS	2,650
ANDERSEN	SAC	ALT UNACC ENL PERS HSG	472	PN	9,900
ANDERSEN	SAC	T-9 NOISE SUPPRESSOR SUPPORT		LS	1,555
ANDERSEN	SAC	RADAR BOMB SCORE FACILITY	2,750	SF	1,000
ANDERSEN	SAC	ADAL AIR COMMUN RELAY CENTER	14,800	SF	1,400
BARKSDAL	SAC	SOUND SUPPRESSOR SUPPORT		LS	700
BARKSDAL	SAC	ALT UNACC ENL PERS HSG	414	PN	6,200
BASE 18	SAC	KC-135R-ALERT FACILITY	22,100	SF	870
BASE 18	SAC	KC-135R-ALT WPNS SYS MAINT MGT	13,000	SF	1,150
BASE 18	SAC	KC-135R-ACFT MAINT SHOPS	68,000	SF	7,800
BASE 18	SAC	KC-135R-SECURITY IMPROV		LS	710
BASE 18	SAC	KC-135R-CORROSION CTL HANGAR	29,300	SF	4,000
BASE 18	SAC	KC-135R-COMMAND POST	5,000	SF	620
BASE 18	SAC	KC-135R-ALT AIRFIELD PAVEMENT		LS	3,950
BASE 18	SAC	KC-135R-ACFT MAINTENANCE DOCK	26,500	SF	2,800
BASE 18	SAC	KC-135R-CONSOL ACFT SUPT SYS		LS	3,500

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BASE	HOST	TITLE	SCOPE	UM	PROG AMT
BASE 18	SAC	KC-135R-VEH OPS HEATED PARKING	29,900	SF	1,900
BASE 18	SAC	KC-135R-ACFT TRAINER FAC	18,900	SF	400
BASE 43	SAC	STC-VISITING OFFICERS QUARTERS	48	PN	1,700
BASE 43	SAC	STC-CONSOL ACFT MAINT FACILITY		LS	2,000
BEALE	SAC	UNACC ENLISTED PERS HSG	500	PN	9,300
BEALE	SAC	LIBRARY	10,500	SF	1,500
BEALE	SAC	ALTER SEWAGE TREATMENT PLANT		LS	600
BLYTHEVI	SAC	T-9 NOISE SUPPRESSOR SUPPORT		LS	600
BLYTHEVI	SAC	BCE COMPLEX	52,242	SF	5,200
BLYTHEVI	SAC	CONTROL TOWER	1	EA	1,950
CARSWELL	SAC	ADAL UNACC ENLIST PERS HSG	288	PN	4,150
CARSWELL	SAC	KC-135 CPT SUPPORT FACILITY	3,350	SF	719
CARSWELL	SAC	ALTER ACFT MAINTENCE DOCK	131,950	SF	1,700
CARSWELL	SAC	STRAT TRAINING SQUADRON COMPL	67,841	SF	8,225
CARSWELL	SAC	CONTROL TOWER	1	EA	2,200
CASTLE	SAC	AIRCRAFT MAINTENANCE SHOP	3,200	SF	340
CASTLE	SAC	UNACC ENLISTED PERS HSG	500	PN	8,400
CASTLE	SAC	SECURITY FENCING	40,700	LF	1,168
DYESS	SAC	CONTROL TOWER	1	EA	2,180
DYESS	SAC	WING HEADQUARTERS FAC	9,000	SF	1,250
DYESS	SAC	AGE FAC	20,000	SF	750
ELLSWORT	SAC	UNACC ENLISTED PERS HSG	500	PN	5,900
ELLSWORT	SAC	BOMBER ALERT FACILITY	37,249	SF	4,300
F E WARR	SAC	DATA PROCESSING FACILITY	8,700	SF	1,550
F E WARR	SAC	ALT UNACC ENL PERS HSG	324	PN	7,200
FAIRCHIL	SAC	KC-135-CPT SIMULATOR FACILITY	3,350	SF	870
FAIRCHIL	SAC	MISSION OPERATIONS COMPLEX	41,200	SF	4,800
FAIRCHIL	SAC	WING HEADQUARTERS	89,800	SF	8,000
FAIRCHIL	SAC	TANKER ALERT LIGHTING	60	EA	550
GRAND FO	SAC	ADAL MILITARY PER SUPPORT CNTR	47,060	SF	4,100
GRIFFISS	SAC	JET FUEL STORAGE (WRM)	50,000	BL	3,350
GRIFFISS	SAC	ALT UNACC ENL PERS HSG	146	PN	1,700
GRISSOM	SAC	TRAFFIC MANAGEMENT FACILITY	14,660	SF	1,150
GRISSOM	SAC	FUELS COMPLEX		LS	750
HAVRE	SAC	STR--DEFENSE ACCESS ROAD		LS	4,104
HOLBROOK	SAC	STR-LAND ACQ COMPOSITE SPT FAC		LS	1,200
HOLBROOK	SAC	STR-TECH OPERATIONS FACILITY		LS	500
K I SAWY	SAC	T-9 NOISE SUPPRESSOR SUPPORT		LS	540
LORING	SAC	STR-COMP SPT FAC (ASHLAND)		LS	1,300
LORING	SAC	KC-135 CPT SUPPORT FACILITY	3,350	SF	890
LORING	SAC	UNACC ENLISTED PERS HSG	219	PN	7,200
LORING	SAC	STR--OPERATIONS FAC (ASHLAND)	1,440	SF	420
MALMSTRO	SAC	ALT UNACC ENL PERS HSG	194	PN	2,400
MALMSTRO	SAC	VEHICLE MAINTENANCE SHOP ADDN	5,542	SF	780
MARCH	SAC	ADAL COMBAT OPNS CTR	53,000	SF	5,600
MARCH	SAC	ECIP-FACILITY ENERGY IMPRVMTS		LS	409
MARCH	SAC	ENLISTED DINING FACILITY		LS	3,900
MCCONNEL	SAC	SECURITY POLICE OPERATIONS	19,200	SF	2,200
MCCONNEL	SAC	CHAPEL CENTER	13,300	SF	2,500
MINOT	SAC	SECURITY POLICE OPS FACILITY	46,500	SF	3,023

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BASE	HOST	TITLE	SCOPE	UM	PROG AMT
MINOT	SAC	COMMUNICATIONS FACILITY	36,000	SF	4,200
MINOT	SAC	T-9 NOISE SUPPRESSOR SUPPORT		LS	980
MINOT	SAC	ALT UNACC ENL PERS HSG	280	PN	3,050
MINOT	SAC	VEHICLE HEATED STORAGE	22,850	SF	1,450
OFFUTT	SAC	ADAL UNACC ENL PERS HSG & DIN	127	PN	3,750
OFFUTT	SAC	T-9 NOISE SUPPRESSOR SUPPORT		LS	780
OFFUTT	SAC	PHYSIOLOGICAL TRAINING FACIL	12,200	SF	2,200
OFFUTT	SAC	BASE OPERATIONS	25,600	SF	3,100
PEASE	SAC	INFORMATION SYSTEMS FACILITY	15,000	SF	1,750
VANDENBE	SAC	MISSILE CREW TRNG FAC-CCTS	81,240	SF	9,100
VANDENBE	SAC	CONTROL TOWER	1	EA	2,280
WHITEMAN	SAC	RELIGIOUS EDUCATION FACILITY	10,000	SF	2,450
WHITEMAN	SAC	AIRFIELD SUBSURFACE DRAINAGE		LS	1,550
WURTSMIT	SAC	B-52-BLAST FENCE AND LIGHTING		LS	350
WURTSMIT	SAC	B-52-ORGANIZATIONAL MAINT SHOP	27,800	SF	3,500
WURTSMIT	SAC	B-52-AIRCRAFT MAINT HANGAR	32,500	SF	3,950
WURTSMIT	SAC	KC-135-CPT SIMULATOR FACILITY	3,350	SF	830
WURTSMIT	SAC	SOUND SUPPRESSOR SUPPORT		LS	700
WURTSMIT	SAC	UNACC ENLISTED PERS HSG	165	PN	5,100
WURTSMIT	SAC	POTABLE WATER SUPPLY		LS	14,200
CAVALIER	SPC	UPGRADE POWER PLANT-PARCS		LS	3,850
CLEAR	SPC	ADAL ELECTRICAL SYSTEM		LS	7,856
FALCON	SPC	SPACE FORECAST CENTER	10,000	SF	1,946
NORAD	SPC	NORAD COMMAND POST	6,400	SF	6,258
PETERSON	SPC	ADAL UNACC ENL PERS HSG	288	PN	2,350
PETERSON	SPC	ADAL GYMNASIUM	39,500	SF	3,400
PETERSON	SPC	SPACE OPS TRAINING FAC-PH 3	87,000	SF	11,291
PETERSON	SPC	FIRE STATION	16,300	SF	1,650
SONDREST	SPC	ADD/ALTER FIRE STATION	13,100	SF	3,500
SONDREST	SPC	SUPPLY STORAGE AREA	36,000	SF	2,700
SONDREST	SPC	COMPOSITE OFFICE FACILITY	33,000	SF	11,000
SONDREST	SPC	RELOCATE FUEL TANKS/DIKING		LS	500
THULE	SPC	ADAL UNACC OFF PERS HSG	90	PN	5,900
THULE	SPC	ALT UNACC ENL PERS HSG	74	PN	2,000
THULE	SPC	UPGR UNACC OFFICER PERS QTRS	52	PN	1,000
ARNOLD	SYS	ENGINEERING ANALYSIS FAC	125,500	SF	14,300
ARNOLD	SYS	ECIP-FACILITY ENERGY IMPRVMTS		LS	4,648
ASCENSIO	SYS	GPS INTERNET	5,100	SF	4,087
BROOKS	SYS	VEHICLE MAINT SHOP	21,900	SF	2,800
BROOKS	SYS	VISITING OFFICER QUARTERS	100	PN	4,273
BROOKS	SYS	BASE ENG COMPLEX	47,800	SF	3,850
EDWARDS	SYS	ADAL FLT TEST MISSION CONTROL	30,300	SF	5,400
EDWARDS	SYS	ADAL RECREATION CENTER	27,800	SF	2,400
EDWARDS	SYS	ALTER PHOTO LAB	40,000	SF	3,371
EDWARDS	SYS	CORROSION CONTROL FAC		LS	3,073
EGLIN	SYS	GUIDED WEAPON & EVAL FAC	91,000	SF	19,459
EGLIN	SYS	ALT TELECOM CENTER	4,170	SF	850
EGLIN	SYS	ADAL CORROSION CONTROL FAC	31,620	SF	1,907
EGLIN	SYS	ADAL COMPUTER SERVICES CENTER	35,700	SF	9,900
EGLIN	SYS	MARINE MAINTENANCE FAC	6,900	SF	780

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BASE	HOST	TITLE	SCOPE	UM	PROG AMT
EGLIN	SYS	ALTER UNACC ENL PERS HSG	596	PN	8,500
HANSCOM	SYS	ADAL MIL PHYSICAL FITNESS		LS	2,447
KAENA PO	SYS	ALTER ELECTRIC POWER PLANT		LS	3,400
PATRICK	SYS	CONTROL TOWER	1	EA	2,290
SUNNYVAL	SYS	ALTER TECH SPACE	37,700	SF	4,800
SUNNYVAL	SYS	ALT OPS COMMAND CENTER	5,000	SF	1,100
SUNNYVAL	SYS	SHUTTLE OPS AND SPRT CTR	7,200	SF	749
SUNNYVAL	SYS	FUEL AND SUBST		LS	5,600
AVON PAR	TAC	UNACC ENLISTED PERS HSG	32	PN	600
AVON PAR	TAC	ELECTRON WARF OP VEH MAINT FAC	34,500	SF	3,000
AVON PAR	TAC	ADAL BSE SUP & EQUIP WHSE	4,580	SF	200
AVON PAR	TAC	BCE COMPLEX	15,110	SF	800
AVON PAR	TAC	VISITING OFFICERS QTRS	30	PN	1,000
BASE 39	TAC	ADD TO SQUADRON OPS FAC		LS	500
BASE 39	TAC	ADD TO ACFT PARKING APRON		LS	2,740
BASE 39	TAC	ALTER MAINT HGR (RAISE DOORS)		LS	800
BASE 39	TAC	ADAL FUEL CELL DOCK	13,500	SF	4,930
BASE 39	TAC	ALTER ENGINE SHOP		LS	450
BASE 39	TAC	ALTER AVIONICS SHOP		LS	700
BASE 51	TAC	LANTIRN INTERMEDIATE COMPLEX	5,250	SF	586
BASE 52	TAC	LANTIRN FACILITY	4,900	SY	250
BERGSTRO	TAC	ACFT GEN PURP MAINT SHOPS	38,000	SF	3,250
BERGSTRO	TAC	ALT UNACC ENL PERS HSG	425	PN	5,600
BERGSTRO	TAC	NCO ACADEMY FAC	32,100	SF	3,200
BERGSTRO	TAC	COVERED ACFT WASHRACK FAC	1,500	SY	1,500
CANNON	TAC	SMALL AC MAINT DOCKS	46,000	SF	5,500
CANNON	TAC	ACFT FUEL SYSTEM MAINT DOCKS	18,000	SF	2,500
CANNON	TAC	SOUND SUPPRESSOR SUPPORT	1	EA	800
CONUS VA	TAC	CENT CONUS OTH-B REAL ESTATE	5,800	AC	11,600
CONUS VA	TAC	OTH-B OPERATIONS BUILDING	47,000	SF	13,500
DAVIS-MO	TAC	ACFT MAINT DOCK	18,600	SF	2,000
DAVIS-MO	TAC	COMBAT SUPPORT CENTER	60,100	SF	5,900
DAVIS-MO	TAC	TRAFFIC MANAGEMENT COMPLEX		LS	3,450
DAVIS-MO	TAC	AIRCRAFT CONSOLIDATED SHOPS	74,000	SF	6,600
DAVIS-MO	TAC	BASE CONTRACTING FAC	7,800	SF	740
ENGLAND	TAC	CONSOL BASE PERS OFFICE	37,500	SF	3,600
ENGLAND	TAC	ADAL CORROSION CONTROL FAC	14,900	SF	2,000
ENGLAND	TAC	AIR FREIGHT TERMINAL	20,000	SF	1,000
ENGLAND	TAC	CHAPEL SUPPORT FACILITY	3,450	SF	500
GEORGE	TAC	BASE SUPPLY EQUIPMENT WHSE	162,000	SF	7,040
GEORGE	TAC	REPL RUNWAY 16-34/UPG LTG SYS		LS	15,000
GEORGE	TAC	LAND ACQUISITION	15	AC	180
GEORGE	TAC	AIR WARRIOR SUPPORT COMPLEX	25,000	SF	3,535
HOLLOMAN	TAC	UPGRADE UTILITIES-PH 1		LS	7,100
HOLLOMAN	TAC	SOUND SUPPRESSOR SUPPORT	2	EA	1,400
HOLLOMAN	TAC	ADAL TEST TRACK FAC	26,000	SF	4,850
HOLLOMAN	TAC	MOBSS FACILITIES	30,800	SF	3,180
HOLLOMAN	TAC	AIRFIELD LIGHTING RUNWAY		LS	550
HOMESTEA	TAC	ALERT SHELTER COMPLEX		LS	7,080
HOMESTEA	TAC	VISITING OFFICERS QUARTERS	40	PN	1,900

AIR FORCE
MILITARY CONSTRUCTION PROGRAM

BASE	HOST	TITLE	SCOPE	UM	PROG AMT
HOMESTEA	TAC	CENTRAL POST OFFICE	5,470	SF	550
HOMESTEA	TAC	CONSTRUCT BULK JP4 STORAGE	110	BL	2,277
INDIAN S	TAC	EXTEND RUNWAY	20,000	SY	3,500
LANGLEY	TAC	ALTER BUILDING 669		LS	950
LANGLEY	TAC	MUNI MAINT & INSPECT SHOP	6,100	SF	870
LANGLEY	TAC	DINING HALL & TROOP ISSUE	24,000	SF	4,000
LANGLEY	TAC	UNACC ENLISTED PERS HSG	288	PN	4,050
LANGLEY	TAC	BASE EDUCATION CENTER	28,500	SF	3,300
LANGLEY	TAC	ADAL INTEL PRODUCTION FACILITY	12,800	SF	2,700
LANGLEY	TAC	INSTALL FIRE ALARM SYS	77	BL	3,290
LUKE	TAC	BASE OPS MOBIL TRANS ALERT FAC	17,500	SF	2,000
LUKE	TAC	UNACC ENLISTED PERS HSG	360	PN	5,500
LUKE	TAC	F-16 ACADEMICS FAC/ADAL	24,400	SF	2,694
MACDILL	TAC	ECIP-FACILITY ENERGY IMPROVEM		LS	840
MACDILL	TAC	MULTI STORAGE FACILITIES	45,250	SF	2,000
MACDILL	TAC	ECIP-HVAC		LS	398
MACDILL	TAC	WING OPS & MAINT MGMT FAC	31,900	SF	2,700
MACDILL	TAC	ADD DATA AUTO FAC	6,650	SF	580
MACDILL	TAC	SOUND SUPPRESSOR SUPPORT	1	EA	700
MASIRAH	TAC	SWA-CARETAKER CONTRACTOR SUPP	13,000	SF	885
MOODY	TAC	BASE CIVIL ENGINEERING COMPLEX	62,600	SF	4,750
MOODY	TAC	FIRE PROTECTION		LS	3,000
MT HOME	TAC	ADAL POL OPS FACILITIES	2,300	SF	790
MT HOME	TAC	EW MAINT/ADMIN FAC	6,300	SF	1,250
MYRTLE B	TAC	ALT UNACC ENL PERS HSG	320	PN	3,700
MYRTLE B	TAC	ARTS/CRAFTS CTR COMPLEX	13,000	SF	1,750
MYRTLE B	TAC	VISITING OFFICERS QTRS	52	PN	2,550
NELLIS	TAC	ADD TO & ALT SUPPLY COMPLEX	142,000	SF	7,592
NELLIS	TAC	UNACC ENLISTED PERS HSG	288	PN	5,500
NELLIS	TAC	ALT ACFT FUEL SYS MAINT DOCKS		LS	5,500
NELLIS	TAC	CIVIL ENGINEERING COMPLEX-PHII	48,900	SF	4,400
NELLIS	TAC	CONTROL TOWER CAB	1	EA	800
SEEB	TAC	SWA-CARETAKER CONTRACTOR SUPT		LS	4,900
SEYMOUR	TAC	ACFT CORR CTL FAC	20,000	SF	3,050
SEYMOUR	TAC	WING READINESS CENTER	6,000	SF	430
SEYMOUR	TAC	SOUND SUPPRESSOR SUPPORT	1	EA	920
SEYMOUR	TAC	TAXIWAY LIGHTING		LS	630
SHAW	TAC	ALT UNACC ENL PERS HSG	408	PN	4,400
SHAW	TAC	ACFT MAINT & MANAGEMENT FAC	22,400	SF	1,600
SHAW	TAC	FIRE STATION	16,900	SF	1,900
SHAW	TAC	LAND ACQUIS-WATEREE	24	AC	400
THUMRAIT	TAC	SWA-CARETAKER CONTRACTOR SUPP	13,000	SF	2,000
TYNDALL	TAC	LAND ACQUISITION-CARRABELLE	37	AC	700
TYNDALL	TAC	MEDICAL WRM FACILITY	9,200	SF	480
TYNDALL	TAC	ADAL ENGINF I&R SHOP	15,000	SF	1,150
TYNDALL	TAC	FLT HAZARD REMOVAL		LS	1,000
WILDER	TAC	STR-COMP SUPT FAC/LAND ACQ		LS	1,110
WILDER	TAC	STR-OPS FAC/LAND ACQUISITION		LS	1,230

Mr. **Hefner**. That concludes this part of our hearings and we'd like to thank you gentlemen for coming.

Dr. **Wade**. Thank you very much, Mr. Chairman.

WEDNESDAY, FEBRUARY 19, 1986.

EFFECTS OF GRAMM-RUDMAN-HOLLINGS BILL ON MILITARY CONSTRUCTION AND FAMILY HOUSING

WITNESSES

WILLIAM C. COONCE, DIRECTOR FOR CONSTRUCTION, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

LEONARD CAMPBELL, DEPUTY DIRECTOR FOR PLANS AND SYSTEMS, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

MAJOR GENERAL ROBERT J. DACEY, USA, ASSISTANT CHIEF OF ENGINEERS, OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

RONALD G. GARANT, DIRECTOR, INVESTMENT AND DEVELOPMENT DIVISION, OFFICE OF THE COMPTROLLER OF THE NAVY

BRIGADIER GENERAL GEORGE E. ELLIS, USAF, DIRECTOR OF ENGINEERING AND SERVICES, DEPARTMENT OF THE AIR FORCE

STATEMENT OF THE CHAIRMAN

Mr. HEFNER. We will now proceed.

The Committee will be in order.

We will now proceed to review the effects of the infamous or famous Gramm-Rudman-Hollings bill on the military construction and family housing program.

We have with us Mr. William C. Coonce of the Office of the Assistant Secretary of Defense [Comptroller], together with Army, Navy, and Air Force witnesses.

Welcome, gentlemen.

So that it is clear to everyone here, this special hearing has been established to receive some feedback as to what effects the automatic sequestering portion of the Gramm-Rudman-Hollings bill has had on the military construction and family housing program for the fiscal year 1986 and prior year programs.

Gentlemen, if any of you have prepared statements, we will be glad to have them entered into the record. Let me begin, by asking you, Mr. Coonce, to briefly explain how the Department arrived at the figure of 4.9 percent for the automatic reduction under the sequestering order.

Mr. COONCE. Mr. Chairman——

Mr. HEFNER. If you have statements, you are welcome to make the statements, but we would prefer that you submit them for the record.

STATEMENT OF MR. WILLIAM COONCE, DIRECTOR FOR CONSTRUCTION, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

Mr. COONCE. All right, Mr. Chairman, I would like to give a brief overview, as you have suggested. I'm pleased to appear here today to discuss the implementation of Public Law 99-177.

The 4.9 percent reduction in military construction funding required by this law is levied on top of sizable cuts already made by the Congress, which leaves us with an FY 1986 program that is $300 million below the 1985 level.

Since P.L. 99-177 was recognized as having the potential of adversely affecting the execution of the 1986 program, the Department endeavored to understand the overall provisions of the law.

Secondly, we had to determine the basic ground rules and criteria that would assist us to establish a methodology for implementation; and, thirdly, we wanted to ensure that the impact on the military construction program would be minimized, to the extent possible.

The Balanced Budget and Deficit Control Act, while imposing one-half of the required reductions on Defense, also provided some flexibilities for Defense.

Although the flexibility is limited to 1986, it enabled us to make some selected decisions to protect programs and force structure. An important flexibility was that military personnel accounts would be exempt; also a very few special programs, projects, and activities for Defense accounts could be exempt, and contract terminations could be made with certain provisos.

At the same time, this legislation also included some restrictions on our flexibilities. For example: even though contract terminations were possible, we were not permitted to terminate a program or eliminate a project, nor could base closures or realignments be started as a direct result of Gramm-Rudman. Also, while we could exempt individual projects or programs (PPAs), the legislation still required that cuts be made from other PPAs within the same appropriation account, to compensate for the exemption.

Thus, to the extent something was excluded, something else was required to take a larger reduction.

Mr. HEFNER. What was the maximum reduction you could take?

Mr. COONCE. Double the 4.9 percent—9.8 percent.

Having analyzed these provisions, we set about the business of determining the basic ground rules and criteria to use in establishing the MILCON base, from which the Gramm-Rudman reductions would be made.

The conference report on the appropriation acts for 1986 directed the level of PPA from MILCON to be at the project levels, so we were limited to the project levels.

This definition was followed without exception. However, the purely mechanical application of the reductions to each individual project appeared to us to be overly restrictive.

Gramm-Rudman was dealt with simultaneously with finalizing the 1987 budget. Our first consideration was the flexibility provided military personnel. We analyzed carefully the impact that reductions would have in this area and concluded that a full 4.9 percent sequestering of military personnel appropriations would require a reduction in end-strength of 280,000 personnel, and this was simply not a viable option.

Therefore, the Secretary recommended and the President directed that we exempt virtually all military personnel costs.

Our next step was determined——

Mr. ALEXANDER. You say you exempted military personnel from that?

Mr. COONCE. Yes.

Our next step was to determine the MILCON planning base from which reductions would be made. As specified in the law, three sources were identified for utilization and cuts: New budget authority enacted in 1986, unobligated balances for 1982, 1983, 1984 and 1985, and unliquidated obligations or termination of existing contracts.

We chose not to terminate contracts since insufficient time was available for a thorough cost analysis to ensure against loss to the Government, and we wanted to minimize the impact to ongoing programs.

We did, however, include unobligated balances, not because they were excess, but so that the reductions would be spread over the largest possible base.

The Services were then requested to recommend candidate PPAs for exemption. The Services' recommendations were considered by OSD in the final analysis and decisions. Consequently, the President exempted a number of firm fixed price contracts and multilevel contracts, which constitute specific PPAs, and which have insufficient reserves to absorb Gramm-Rudman.

This was done so as not to lose the benefits of previously negotiated contracts.

Reductions which would have been applied to programs were distributed proportionately to other non-exempt programs. The amounts involved are not large in proportion to the total DOD reduction, about $259 million, or 1.9 percent, and exempting them will save the Department substantial sums.

For MILCON, only one Navy project that had a firm-fixed-price contract was exempted.

Application of these reductions to MILCON resulted in the 1986 and prior-year unobligated balances being reduced by 4.9 percent with a total budget authority reduction of $619.7 million. Of this, $416.4 million was applied to new budget authority enacted in 1986, and $203.3 million was applied to prior year unobligated balances.

This budget authority reduction will achieve outlay reductions of $140 million in 1986.

Deputy Secretary Taft gave written directions to the Services in January, stating that all DOD components should ensure the funds are to remain unobligated pending the final implementation of the President's sequester order.

As far as flexibilities for the future, it is indeed very likely that problems will surface in the months ahead on some specific reductions. Problems that could not be forseen at this time.

Military Construction has sustained a sizable reduction to the funds available as a result of Gramm-Rudman; and, as I indicated earlier, this goes on top of significant reductions already made by Congress to the 1986 MILCON requests.

A $416 million cut in new budget authority as a result of Gramm-Rudman, when added to the $1.8 billion cut from the request by Congress, produces a $2.2 billion loss in 1986 alone, In addition, the $203 million reduction to prior unobligated balances is further compounded by general, undistributed Congressional reductions of almost $500 million against these same prior-year programs.

It must be recognized that reductions of such a magnitude cannot be made against MILCON resources with the expectation that we will be able to fully deliver the programs initially approved by Congress.

Thus, it is essential that Congress provide continued and even greater flexibility for Defense should any future actions of the Gramm-Rudman deficit reduction type be affected.

Such exemptions should include continued exemption in the military personnel accounts where reductions in the magnitude of 18 percent, as being discussed now by CBO for later years, would be disastrous.

The specified PPA applications should be eliminated in favor of a general flexibility for defense. This will be more appropriate and efficient for the many appropriations that Defense receives.

In addition, we do not advocate termination of existing contracts, since we believe such terminations are not likely to be cost-effective from a financial viewpoint.

In summary, both the implementation of Public Law 99-177 and the execution of the 1986 program presents a great challenge, and it is indeed likely that problems will arise in the months ahead which cannot be predicted at this time.

In this regard, we would request the committee be aware of our situation and work with the Department in the reprogramming process to ensure maximum effectiveness and efficient program execution.

I have with me representatives of the Services, and we would be happy now to respond to your questions.

[The prepared statement of Mr. Garant follows:]

STATEMENT OF MR. RONALD G. GARANT, DIRECTOR, INVESTMENT AND DEVELOPMENT DIVISION, OFFICE OF THE COMPTROLLER OF THE NAVY

The 4.9 percent Gramm-Rudman-Hollings may prove to be the straw that broke the proverbial camel's back. There is a very complex relationship between Gramm-Rudman-Hollings, funded position, savings projects, and general reductions. The $85 million FY 1986 Gramm-Rudman-Hollings cut may not seem like a devastating loss from a $1.7 billion program; but, the Navy's MCON funded position is weak. In the past two years we have absorbed general reductions, savings projects and price reduction that total over $300 million. Futhermore, the prospect for substantial savings in FY 1986 is dim. A 4.9 percent cut of all FY 1986 family housing programs came at a time when several new construction projects were under contractural negotiations when Gramm-Rudman legislation was passed. The situation is so bad that we may find ourselves unable to execute the program approved by Congress. We are evaluating our program to determine which projects may proceed on a priority basis.

Mr. **HEFNER**. Well, we would like each of the Service representatives to explain in five minutes or less what effect automatic sequestion has had on the execution of the fiscal year 1986 program, and I think that we will start with the Army.

EFFECT OF SEQUESTRATION ON ARMY'S FY 1986 PROGRAM

General DACEY. The Gramm-Rudman-Hollings Act, by itself, caused, for fiscal year 1986, the reduction or sequestering of $125 million distributed across each of the projects in the program and across minor construction and planning and design.

For Army family housing, the sequestering is $75 million, for a total of $200 million. For the Army, this was exacerbated by a dollar revaluation against the Deutsche mark. At the same time that we were taking $125 million out for Gramm-Rudman-Hollings imput on MILCON, we lost an additional $122 million in purchasing power because of the dollar revaluation.

So, our total reduction to the MCA program is $247 million. In family housing it is $170 million. That was using an exchange rate of 2.35 Deutsche marks to the dollar; this morning, the rate is 2.32; that has cost us another $10 million in MILCON and another $5 million in family housing.

Mr. HEFNER. Now, that is $247 million total?

General DACEY. In MILCON from both Gramm-Rudman-Hollings and dollar revaluation, sir.

Mr. HEFNER. But now, of that 247, 170 of it is family housing, or is that in addition?

General DACEY. That is in addition, sir.

The total reduction that we have taken in MILCON and family housing for Gramm-Rudman is $200 million, $125 million in MILCON and $75 million in Army family housing; and the loss of purchasing power due to dollar revaluation is $122 million in MILCON and $95 million in Army family housing—A total of $417 million, sir.

Mr. HEFNER. That is just in the Army?

General DACEY. Correct, sir.

What that has done—we have 25 projects that we are not sure that we can do. Those are going to have to undergo major redesign, and then we will have to make the decision, can we provide a usable facility, or do we need to come back for more funds as a reprogramming, or do we need to drop that project and reprogram it in a later year?

There are 75 additional projects that are undergoing redesign to check and see if we can come up with additive bid packages that would let us put them out for bid and hopefully be able to get an award or come back for reprogramming actions.

One hundred and one family housing units may have to be dropped from the program this year.

Mr. MARINELLI. Is the 101 as a result of Gramm-Rudman?

General DACEY. That's our projection at this time. If we get favorable bids, we will try to pull as many of those as we can back into the program.

Mr. HEFNER. I was just going to ask this question how much of a cut was that? Was that double the 4.9?

General DACEY. No, sir, for Gramm-Rudman, that is the 4.9.

Mr. HEFNER. The 4.9.

General Dacey. Across the board.

Mr. Alexander. Will the Chairman yield?

Mr. Hefner. Sure.

Mr. Alexander. General, if you are executing these cuts, as I understand it, there is no prospect of changing that reduction; is that what you understand?

General Dacey. We were told to take a 4.9 percent by PPA which was determined to be project-by-project for the 1986 budgets.

Mr. Hefner. Mr. Garant.

EFFECT OF SEQUESTRATION ON THE NAVY'S FY 1986 PROGRAM

Mr. Garant. In the Navy's case on a grand scale, you could look at this as having the effect of reducing all of the contingency on all of the projects.

But, as with the Army, we had a lot of other reductions applied against the account. We had general reductions for projects, applied during Congressional review and so forth.

So, overall, the account is in a deficit position, if you will, with a specific amount applied in each of the projects as a result of Gramm-Rudman, as well as an overall unfunded position that we have to work our way through during the upcoming year.

Right now, we are looking at the largest single impact in the planning and design area. People are starting to look at some of these projects that need to be redesigned, and, of course, there is the problem resulting from a rolling forward of some design because of the reprogramming of the $15 or so million for last year of which only half was approved. We are working on the biggest backlog in planning and design. We will probably be up within a very short period of time with the reprogramming in that area.

As for the balance of the projects, we will not be able to tell where we are until we get the bid in.

As you know, we try to live within the dollars we have, but, given the 4.9 percent reduction on each program, we have essentially lost all margin.

So, any bid over our current estimate will probably result in a reprogramming.

Mr. Hefner. So, you basically lost the 5 percent contingency that we had built in?

Mr. Garant. For starters—and then, when we get the bids in, this will kick us into a reprogramming mode much sooner.

So, the real impact, I think, will be a number of reprogrammings. We will have to see.

Mr. Hefner. You do not have a dollar value for it?

Mr Garant. Of what the reprogramming values will be?

Mr. Hefner. Of what this has cost the Navy?

Mr Garant. We—in Gramm-Rudman alone, we lost $160 million, broken down by the construction account of $122 million, and then the reserve construction, $3 million; family housing by $35 million.

So, this $160 million over a number of 50-some-odd million of unspecified reductions that we need to make that will apply by the corporation act.

EFFECT OF SEQUESTRATION ON THE AIR FORCE'S FY 1986 PROGRAM

General ELLIS. Our numbers are essentially the same. We took about $81 million in Gramm-Rudman out of 1986 and about $60 million in 1985 with similar reductions in family housing. We also had to deduct a $47 million general reduction in the 1986 program. That outlines the fiscal box that we are trying to execute the program in.

To get a feel for what we must do, we have 440 projects in 1986 all with PAs reduced to 95 percent of what was authorized and appropriated last year. Of those, about 42 percent we can do, can be executed within the reduced PA. The design has progressed from 35 percent to 100 percent, and our CWEs look like they will fall within the newly revised PA.

We have about 214 projects that I think we can execute within the $1 million or 20 percent flexibility. The rest is 28 projects that could be a problem, and 13 projects that we are going to have to redesign or reprogram. Some of those 214 may have to be reprogrammed.

Our biggest dilemma is where the dollars will come from to finance the reprogrammings. That is what our biggest problem will be. To go back to all of our projects and scrape off a little bit from each package is a bit worrisome, because the flexibility that you gave us in the first instance on the project goes away with project adjustments.

Mr. HEFNER. Do any of the services plan to use the prior year savings to offset reductions for projects funded in fiscal year 1986?

Mr. GARANT. You put restrictions in the current statute that prohibit our using prior year funds to roll forward to partially offset. We have to fully fund in any one fiscal year a project.

Mr. MARINELLI. Yes, but that restriction, you can still roll forward. However, it is a question of——

Mr. GARANT. Funding it in its entirety.

Mr. MARINELLI. Funding it in its entirety, that is correct.

Mr. GARANT. Of course, with the adjustment to the prior year programs, any prior year savings will have to go to the fixed levels, if you will, on the prior year programs.

General DACEY. In the Army, sir, we took $280 million in prior year savings as directed by the committee, and applied those against projects in fiscal year 1986.

Mr. HEFNER. I will reserve this to some other time, and I will yield to Mr. Alexander.

Mr. ALEXANDER. Mr. Chairman, can we proceed with fiscal 1987 questions?

Mr. HEFNER. Any question that you would like, sure.

Mr. ALEXANDER. I have talked with the Chairman of the Appropriations Committee, as we all have, members of this committee, and we are proceeding with a policy of compliance with Gramm-Rudman. I notice that in your fiscal 1987 request that you have not complied with Gramm-Rudman.

When do you expect to resubmit the DOD budget for military construction in full compliance with Gramm-Rudman?

Mr. COONCE. I am not aware of any noncompliance. As far as I know, the President's budget as submitted would have no trigger for Gramm-Rudman in it based on the projections of OMB. My understanding is that there is no noncompliance.

Mr. ALEXANDER. In other words, you are going to play the hand that you submitted?

Mr. COONCE. Yes, sir.

Mr. ALEXANDER. Thank you very much.

FLEXIBILITY IN PROJECT REDUCTIONS

Mr. HEFNER. There has been provided some flexibility to the Defense Department whereby the percentage reduction did not necessarily have to apply across the board for every project. Why did the Department choose to apply the 4.9 percent reduction to every project with the exception of one?

Mr. COONCE. The public law that you are talking about, while it gives us some flexibility, also limits our flexibility. The legislation specifies that reductions will be taken by PPA. The report language defines PPAs as projects. While we could exempt projects, the legislation requires that a total percentage be taken, a total percentage for the appropriation. So, to the extent that we did not reduce one project at five percent some other project took a larger hit.

Mr. HEFNER. Yes, I understand that.

Mr. COONCE. What is relief to one person is cutting the throat of another. The guy whose throat is being cut does not think of it as much relief. That is what it boils down to.

Mr. HEFNER. I understand that, because I am on the Budget Committee, and I understand that very well.

Mr. COONCE. It is a matter of perspective on what flexibility exists. We used what flexibility we had, which we felt was somewhat limited at the time. Also, remember, we had a relatively short time to put this together.

Mr. HEFNER. But you could have picked and chosen some. If you had wanted to set some priorities, you could have made more cuts, and have been able to keep some in their entirety without any cuts in them and with a contingency.

Mr. COONCE. That is right. Based on where the program was at that time though, I think that it was felt that it was better to wait and see how the bids came in. We have had some good bids in prior years, and we felt that it would be best to maximize the flexibility that we would have later down the line.

Mr. MARINELLI. But would you not say that a fair statement would be that you did not have the time. You alluded to that.

Mr. COONCE. Yes.

Mr. MARINELLI. Was that the critical reason?

Mr. COONCE. Not only the time, but also the fact that you need to know about the current bids—before you can state that you have a problem taking five percent from a project, you have to know what each project is going to cost you, and we did not have that data at that time. Giving the time phasing and the amount of time that we had to prepare, we did the best that we could with the data that we had.

Down toward the end of the year, we can look back with hindsight and say, these projects came in over or they came in under, and we might have made a better decision.

Mr. HEFNER. You did not know what the project would cost, but you knew what your priorities were?

Mr. COONCE. That is right.

Mr. HEFNER. Mr. Lowery.

UNOBLIGATED BALANCES AND SAVINGS

Mr. LOWERY. Thank you, Mr. Chairman.

The moneys that will be sequestered, where will they go, will they go to some great Gramm-Rudman pot in the sky, whose has control of it, the Treasury, DOD, the Governor of the State of California?

Mr. COONCE. They cannot be spent is all that I know.

Mr. LOWERY. Who has control over them? I understand that. What happens to them?

Mr. COONCE. My understanding is that this sequestration process is very much like a recision. They will be taken off of the books. It disappears just like when you gentlemen approve a recision.

Mr. LOWERY. So it will have the same effect as a recision?

Mr. COONCE. But that word is not appropriate as we understand it.

Mr. LOWERY. Could you explain a little further how the Services are going to deal, I did not quite follow, with unobligated balances?

Mr. COONCE. Unobligated balances?

Mr. LOWERY. Yes, from previous years, projections, how are you going to deal with that?

Mr. COONCE. When the reductions were taken, the 4.9 percent, they were specified to be taken from savings. As you know, there have been in prior years some savings accumulated in the Services due to good bids, and we thought that the maximum flexibility for the Services would be for them to choose to take reductions out of savings that they had accrued from prior year obligations.

Mr. LOWERY. How much is there in the various military construction funds in savings from previous years?

General DACEY. In the Army, we had $280 million in savings from prior years which we reported to the committee last year. It was directed that it be spent on FY 1986 projects. So at the beginning of the fiscal year, we had none.

Mr. LOWERY. You had none?

Mr. DACEY. None, sir.

Mr. LOWERY. How many previous years did that unobligated savings go back?

General DACEY. It is a five year appropriation, sir, two years to obligate the money and five years to spend it. So it is a five year running clock that you are working with all of the time.

Mr. LOWERY. And after the end of that five years?

General DACEY. The funds automatically lapse, sir.

Mr. LOWERY. And for the Navy?

Mr. GARANT. Over the last two years, we have generated savings and applied them to projects that were authorized and not appropriated as well as through unspecified reductions made.

Mr. LOWERY. In the last year, this committee has been rather stringent on services automatically applying that money that was authorized and unappropriated.

Mr. GARANT. In all instances, we came through the committee with reprogrammings, sir.

Mr. LOWERY. So there are no unobligated savings in the Navy's account?

Mr. GARANT. As of the last reading we got, the end of 1985 and prior if you will, there was a net negative in the view of the people looking at it of $8 million that they were rolling forward, a net negative position of $8 million that would go nto 1986.

Mr. LOWERY. And the Air Force?

General ELLIS. We have $1.1 billion worth of unobligated funds at present. When we award all of the contracts this year, we will have only $57 million left that we had to use for the Gramm-Rudman 1985 and prior year's reductions. By the end of the year, with the exception of unusual bid experience, we will be essentially broke.

Mr. LOWERY. But there had been going into this year, what was that number again?

General ELLIS. About $57 million.

Mr. LOWERY. Prior?

General ELLIS. 1985 and prior.

Mr. LOWERY. You said one point?

General ELLIS. Right now, we have $1.1 billion. We will program that for contracts that we plan to award this year.

Mr. LOWERY. That is prior to 1986?

General ELLIS. 1985 and prior; yes, sir.

Mr. LOWERY. That is quite a bit of walking around money. Thank you.

Mr. HEFNER. What guidance has the Department put on the base amount of each project for the purpose of reprogramming, should it be from the "pre" or the "post" sequester base?

Mr. COONCE. We have not published any formal guidance yet. But informally, we have told the Services that we will use the post-Gramm-Rudman level as the base. I think that is going to be consistent throughout all DOD accounts.

EFFECT OF SEQUESTRATION OF PROJECT ESTIMATES

Mr. HEFNER. Is it fair to say that the automatic sequestering provision discourages program and project managers from being good managers because they would have to anticipate an additional reduction occurring at a later time; in other words, does it remove the incentive to fine-tune the costs early in the planning period when you know what is coming?

Mr. COONCE. I am going to ask the various Service members to answer that.

General DACEY. Sir, I think that the people you have working for you in your armed services have a level of integrity that they will bring to this. I do not see that they would try to deliberately inflate or not to deflate the costs.

Mr. HEFNER. I am not questioning their integrity. I am just talking about the practicality of it.

General DACEY. I understand, sir. The bigger concern to me is for those projects that had a Gramm-Rudman reduction assigned in 1986. I mentioned that 75 had to undergo redesign, with the concern that there might possibly be a reduction in 1987, there will be people now who will rush to get those contracts on the street, so that they will not suffer an additional reduction next year.

And in doing that, we may get some contracts out where previously we would have done some fine-tuning, as you said, Mr. Chairman, and gotten them down to where we were really comfortable with them before we put them on the street. That is human nature, and people are going to try and do that.

We will do our best to watch it, but I do not think that we will see anybody not reducing the costs. And the number of filters that exist at OSD and at OMB certainly would catch those if we did not catch them ourselves, sir.

Mr. GARANT. In that vein, I think that we have found more of an impact from the strictures if you will on reprogramming. And not the strictures in terms of the dollar magnitude, but in the willingness of the committees to approve reprogramming. It is forcing people to take what I consider to be somewhat arbitrarily conservative positions when they are building their budget. This is because of the real concern that would put them before the committees, and the chance of losing the project, or having to give it up because they cannot get a reprogramming through.

I know our experience in the shipbuilding appropriation where for many years we have had that account appropriated on a line item basis, has produced a very, very conservative budget. And that is an area where we have underutilized over four or five years around $5 billion.

What you do is build an institutional bias toward conservative budgeting, because of the inability to reprogram. I think that you lose a lot when you give up the flexibility that is inherent in the reprogramming process.

Mr. HEFNER. We are not stopping reprogramming.

Mr. GARANT. Well, in effect, we are creating a real difficult position with the Gramm-Rudman sequestration becoming the new base line. And you in this most recent report have reduced that flexibility from $2 million to $1 million, and the percentage reduction as well.

So as we look at it, you are telling us and we are getting the message that you do not want to see reprogramming.

Mr. HEFNER. No, it is not that we do not want to see reprogramming. We are just going to be very, the entire committee is going to be very tough to make sure of the reprogramming.

Mr. GARANT. That gets interpreted back home that these guys do not want to see it.

Mr. HEFNER. That is good. That is not bad.

Mr. GARANT. What I am saying is that the bad part of it and the down-side of that is the natural tendency that we will find some very, very conservative budgeting, which I think loses us a lot of programming. If we were doing this right, you should see a reprogramming on half of the projects.

It is like when you are playing bridge, you ought to get set once in awhile or you are not bidding right, you know.

Mr. HEFNER. I have no further questions. I will submit the rest for the record.

[CLERK NOTE.—Questions submitted by Mr. Hefner, are as follows:]

GRAMM-RUDMAN EFFECTS ON MILCON/FAMILY HOUSING

Question. Specifically, how has each Service chosen to take the mandated reductions from their unobligated balances?

Answer. For all Components, the prior year unobligated balance reductions have been applied to accumulated savings.

Question. Provide for the record a full listing by project and year of the source of the unobligated balance sequestration.

Answer. Since the prior year unobligated balance reductions were applied against accumulated savings and not against individual projects, such a project-by-project listing cannot be developed. It is anticipated, however, that all prior year proejcts will be accomplished at full scope, even after the reductions.

Question. The Appropriations Committee defined "program, project and activity" as it applied to military construction as all specific line items in the State list. This definition was developed to clarify the effect of the Gramm-Rudman-Hollings law. What is your view of the current definitioin of "program, project and activity"?

Answer. Defining "program, project and activity" as all sepcific line items in the State list does create some problems and may be too stringent if serious problems develop in the execution of the FY 1986 program, it may be desirable to refine and broaden the definition for FY 1987 and later years.

Question. Do you think the Committee should have given the Department more flexibility in this definition? If so, why?

Answer. More flexibility is desirable since this would tend to mitigate specific problemns which might be encountered in program execution.

Question. Whouldn't more selective reductions avoid potential major redesign efforts?

Answer. Perhaps. However, the Gramm-Rudman-Hollings restriction specifying that no project can be cancelled would, if the dollar reductions are to be met, inevitably result in the redesign of some projects.

Question. What percentage of projects are each of the Services proceeding with advertising for bids with the hope that the low bid will be within the post-sequestered amount?

Answer. In all cases where the current working estimate (CWE) exceeds the programmed amount (PA) the Services would delay advertising the project to attempt to reduce the CWE to a level below the PA. Actions taken could include use of value engineering, use of additive bid items, consideration of contracting packaging techniques, and review of project criteria for austerity. A project will be advertised only if there is a likelihood of a responsive bid being received which is lower than the PA. At present, the Army plans to advertise approximately 35–40 percent of FY 1986 projects which are expected to come in within the post-sequestered amount; the Navy 40–45 percent; and Air Force, 40–45 percent.

Question. What percentage of projects are being advertised for bids using bid additive features to stay within the costs?

Answer. If feasible, bid additives will be used in all cases where the CWE exceeds the post-sequestered PA. Current estimates for the percentage of projects which will require bid additives are: Army, 60–65 percent; Navy, 45–50 percent; and Air Force, 55–60 percent.

Question. What percentage or projects are being redesigned or rescoped?

Answer. The incorporation of such factors as value engineering, use of additive bid items, consideration of contracting packaging techniques, and review of project criteria for austerity all would require redesign and/or rescoping to some extent. Thus the percentages would be similar to those given in the previous response.

Question. Do you anticipate the submission of a large reprogramming request that would seek to restore the reductions from some of these projects?

Answer. It is likely that because of the project-by-project reductions a larger than usual number of projects will require reprogramming. Any such reprogramming request will be to fund the project at a level where award of a contract is possible, not simply to restore the Gramm-Rudman-Hollings reductions. Except for projects over $20 million, all of the reductions fall within our "20 percent or less than $1,000,000" internal reprogramming authority. It is anticipated that reprogramming will be requested on a project-by-project basis as each project is redesigned and/or bid, rather than through a single large request. Reprogramming will be requested only after all other avenues have been exhausted.

Question. What do you estimate the additional design costs to be as a result of redesign or rescope?

Answer. Current estimates of increased design costs as a result of redesign or rescope are: Army, $17 million; Navy, $6 million; and Air Force, $3.5 million.

Question. What type of features are being rescoped? For example, are parking lots and landscaping being eliminated?

Answer. All portions of the project will be examined to determine that rescoping can be done. This may certainly include such items as parking lots and landscaping, but could include a great variety of factors such as: interior and exterior finishes, walkways, access roads, and others. Each project must be examined separately to determine what, if anything, can be eliminated or down-sized. The governing factor is identification of features which, when eliminated, will not impair the minimum mission effectiveness of the facility.

Question. For barracks projects, are you reducing the number of units as a result of sequestration? Doesn't this cost more in the long run because of the economies of scale?

Answer. Due to the urgency of the requirement, the number of units for a barracks project would be reduced only as a last resort. Since the additional barracks spaces must, eventually, be provided, this would increase the total cost because of the economies of scale. Rather than reduce the number of units, we would probably seek reprogramming authority.

Question. If certain features like parking lots and sidewalks were to be eliminated, what would prevent the Services from using O&M funds to build such features? Wouldn't this be more costly because of economies of scale?

Answer. Under Military Construction we must deliver a complete and usable facility. As such, certain essential features could not be eliminated and provided later from O&M funds. Elimination of "nonessential" features, which might include parking lots and sidewalks, will be examined on a project-by-project basis. In addition to increased costs due to economies of scale, a variety of factors preclude using O&M funds to add these features. O&M minor construction is limited to $200,000 a project, and this relatively small amount would not contribute significantly to the scope of most military construction projects. Also, using O&M funds to add such features would divert these funds from their primary use, resulting in a lower level of current preventative maintenance and repair, and further increases to the Services' backlog of maintenance and repair which is already far too high.

[CLERK'S NOTE.—End of questions submitted by Mr. Hefner.]

Mr. HEFNER. Gentlemen, we thank you for coming. The committee stands adjourned.

THURSDAY, FEBRUARY 20, 1986.

RESERVE COMPONENTS MILITARY CONSTRUCTION PROGRAM

WITNESSES

OSD

COLONEL JOHN B. ROSAMOND, ACTING DEPUTY ASSISTANT SECRETARY OF DEFENSE (MATERIEL AND FACILITIES), ASSISTANT SECRETARY OF DEFENSE (RESERVE AFFAIRS)

ARMY

MAJOR GENERAL HERBERT R. TEMPLE, JR., DIRECTOR, ARMY NATIONAL GUARD, DEPARTMENT OF THE ARMY

COLONEL CHARLES T. McMANAMAY, EXECUTIVE OFFICER, OFFICE OF THE CHIEF OF ARMY RESERVE, DEPARTMENT OF THE ARMY

FRED W. ARON, ARMY NATIONAL GUARD

NAVY

VICE ADMIRAL CECIL JOSEPH KEMPF, DIRECTOR, NAVAL RESERVE

AIR FORCE

BRIGADIER GENERAL SHIRLEY M. CARPENTER, DEPUTY CHIEF, AIR FORCE RESERVE, DEPARTMENT OF THE AIR FORCE

BRIGADIER GENERAL JOHN F. McMERTY, DEPUTY DIRECTOR, AIR NATIONAL GUARD, DEPARTMENT OF THE AIR FORCE

COLONEL JOHN F. SIEVERTSON

COLONEL R.E. PEZZULLO

STATEMENT OF THE CHAIRMAN

Mr. HEFNER. The Committee will come to order.

Mr. Rudd is on his way. Mr. Coleman is here. We actually should have Mr. Rudd here, but we have had you gentlemen waiting for a while.

The Subcommittee will review the $451 million request for the Reserve Components. Our principal witness is Colonel John B. Rosamond, the Acting Deputy Assistant Secretary of Defense for Reserve Affairs.

We will proceed through each of the Reserve Components after hearing from Colonel Rosamond. I would ask each of you gentlemen to summarize your statements at that time. We will, of course, have questions for you. Your entire statement will be a part of the record and you can proceed in any way that you see fit.

We are happy to have you gentlemen with us.

STATEMENT OF COLONEL JOHN B. ROSAMOND, ACTING DEPUTY ASSISTANT SECRETARY OF DEFENSE (MATERIAL AND FACILITIES) ASST. SECRETARY OF DEFENSE (RESERVE AFFAIRS)

Colonel ROSAMOND. I thank you, Mr. Chairman.

Mr. Chairman, and members of the Committee, it's a pleasure for me today to appear before this committee and present to you an overview of the National Guard and Reserve military construction programs. I would like to acknowledge the significant contributions this committee has made to these programs and I think this is best demonstrated by the increase in the programs over the last five years.

We have experienced a growth from $285 million to approximately $451 million. Our facilities are valued at $17 billion. We have approximately 6400 facilities scattered throughout the states and the territories. They are designed to support our training requirements and are a symbol of our national strength.

As mentioned, this budget request is for $451.2 million. It has $382 million for major construction and projects under $400,000. It has a minor construction, unspecified, of $12 million and approximately $57 million for planning and design. As mentioned, we will follow the committee's guidance concerning identification of projects under $400,000.

It includes 146 major projects. These projects are such things as Reserve centers, armories, hangars, aircraft parking aprons, and training complexes. All of our projects, except two, meet the Congressional design criterion of 35 percent.

Approximately $114 million of this request supports new missions, such as the C5A bed-down at Westover Air Force Base in Massachusetts, Regional Maintenance Training Sites for the Army Guard at Fort Bragg, North Carolina, an Army Reserve Intelligence Training Facility at Camp Bullis, Texas, and an Aircraft Maintenance Hangar for the Naval and Marine Corps Reserve at Willow Grove Naval Air Station.

Additionally, $268 million are requested for the expansion and improvement of facilities associated with existing missions, of which $87 million is associated with modernization activities of these facilities.

I have presented the budget in aggregate terms, and I would now, Mr. Chairman, like to turn to a few points of management, if I may. My general philosophy for management of these programs is to build facilities that are mission oriented and support the missions of the Reserves, including storage of equipment. As we all know, equipment is flowing into the Reserves at a more rapid pace than it ever has before, which we appreciate we have demonstrated our ability to execute our construction program in a timely manner each year.

We have done certain things that we are quite proud of. We have looked at the storage requirements. In this submission and request, we have identified $34 million for storage facilities versus approximately $19 million last year.

We have revised the OSD construction criteria for the Reserve facilities. We found that our criteria were very cumbersome and detailed. We have now provided the services with general criteria, which will permit them to develop specific criteria, subject to our approval, which meet their needs.

Of major concern to management is our backlog. We feel that it is approaching the $4 billion mark and that is excessive. We have taken steps and at the end of April of this year, we will have a report from the Services which identifies the backlog, stratifies it and brings it down to mission-oriented requirements. Upon review of this report, we will develop a program to eliminate it in a systematic manner.

Another major effort over the past year was to improve the design status of our projects. With the submission of the '88 budget, our projects will be in excess of 35 percent design complete and with submission of the '89 budget we plan to have our projects at 65 percent design complete.

We have taken steps in the budget process to fund this design effort up front and we feel that it will provide timely execution and a better managed program. We are not concerned with design busts, because in the history of the programs, we have had very little design breakage. Over the past year we have made great efforts to execute our program in a timely manner. I am pleased to report to the Chairman that the program, in '85, was also executed at 86 percent of our projects with an obligation rate of 90 percent of funds available. That was the best record in OSD. That is the highest record the Reserve components have had since 1980, at which time it was also 86 percent.

With regard to reprogramming, I fully understand the Committee's guidance on that, in terms of supplemental requests for additional projects with savings. I have no problems with that guidance. We understand, from past experience, that the Committee would like to see any add on projects in those terms.

Mr. Chairman, that concludes my statement. I thank you again for the opportunity to appear before the Committee. Thank you, sir.

[The prepared statement of Colonel John B. Rosamond follows:]

STATEMENT OF
ACTING DEPUTY ASSISTANT SECRETARY OF DEFENSE
(RESERVE AFFAIRS)
FOR
MATERIEL AND FACILITIES

COLONEL JOHN B. ROSAMOND
UNITED STATES ARMY

HEARINGS BEFORE THE SUBCOMMITTEE
ON MILITARY CONSTRUCTION
SENATE ARMED SERVICES COMMITTEE

March 10, 1986

NOT FOR PUBLICATION UNTIL
RELEASED BY THE COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

COLONEL JOHN B. ROSAMOND
ACTING DEPUTY ASSISTANT SECRETARY OF DEFENSE (GUARD/RESERVE MATERIEL & FACILITIES)

Colonel John B. Rosamond is presently assigned as Principal Director in the Materiel and Facilities Deputate in the Office of the Assistant Secretary of Defense for Reserve Affairs and at this time is serving as Acting Deputy Assistant Secretary of Defense.

He is a native of Mississippi and graduated from Mississippi State University in 1958 as a Distinguished Military Graduate. His military career has been continuous since April 1959, and his early assignments were with troop units in Europe and Vietnam. During this period he served as platoon leader (rifle and reconnaissance), company commander, operations officer (battalion and brigade), division plans officer, and district senior advisor (RVN). On completion of his second tour of duty in Vietnam, Colonel Rosamond served on the Department of Army Staff and subsequently commanded a battalion. He then returned to the Army Staff, serving in the Office of the Inspector General and as Chief of Construction Management for the Army Reserve.

Colonel Rosamond has attended numerous military schools to include the Infantry Officer Basic Course, the Armored Officer Advance Course, Marine Corps Command and General Staff College and the Industrial College of the Armed Forces. In addition to his military schooling, Colonel Rosamond holds a Master of Business Administration Degree from Syracuse University.

His awards consist of the Legion of Merit, Bronze Star for Valor (3 OLC), Meritorious Service Medal (3 OLC), Army Commendation Medal, Purple Heart, Air Medal (2), National Defense Service Medal, Vietnam Service Medal (7 campaigns), Army Service Medal, Overseas Service Medal, Vietnam Campaign Medal, and Vietnam Medal of Honor (with Silver and Bronze Stars). He is a qualified Ranger and Senior Parachutist, and wears the Combat Infantry Badge, Department of Army Staff Badge, and Office of the Secretary of Defense Staff Badge.

He presently resides in Alexandria, Virginia, with his wife Clare and daughter Ann.

Mr. Chairman and Members of the Committee:

It is a pleasure for me to appear before this committee and present an overview of the National Guard and Reserve military construction programs. I would like to acknowledge the significant contributions this committee has made in supporting the Department's effort to strengthen and improve these programs.

National Guard and Reserve facilities represent a capital investment of approximately $17 billion. We have more than 6,400 installations and training sites. Reserve component facilities range from a single building, such as a reserve center or national guard armory, to complete installations such as Camp Blanding, Florida; Fort McCoy, Wisconsin; Richards-Gebaur Air Force Base, Missouri; McEntire Air National Guard Base, South Carolina; and Glenview Naval Air Station, Illinois. As you know, Guard and Reserve facilities are located throughout the entire country, Puerto Rico, the Virgin Islands, Guam, and American Samoa. These facilities support our training and readiness requirements, and they are a signal of our national strength.

Our FY 1987 military construction budget request is $451.2 million dollars. This represents growth of approximately $62 million above the FY 1986 construction budget. We plan to spend approximately $382 million for major construction projects, $12 million for minor construction projects, and $57 million for planning and design.

In accordance with guidance received from the Appropriations Committees, the major construction portion of this year's budget includes many projects under $400,000 whose requirements were known prior to budget submission. Consequently, this year's budget also contains an unspecified minor construction section that identifies funds for emergent requirements. This section of the budget is less than one half of the amount budgeted for minor construction in FY 1986.

Our request includes 146 major projects. Among these projects are many types of facilities such as armories and reserve centers, vehicle and aircraft maintenance shops, hangars, training complexes, and aircraft parking aprons. The projects requested, with the exception of 2, meet or exceed congressional project design status.

We have requested approximately $114 million to build facilities that support new missions. Examples include a follow-on project to last year's request for the Air National Guard C5A Group at Stewart Field, New York; five projects for the beddown of the Air Force Reserve's C5A unit at Westover AFB, Massachusetts; a Regional Maintenance Training Site for the Army National Guard at Fort Bragg, North Carolina; an Army Reserve Intelligence Training Facility at Camp Bullis, Texas; and an Aircraft Maintenance Hangar for the Naval and Marine Corps Reserve at Willow Grove Naval Air Station, Pennsylvania.

We have requested approximately $268 million for construction or alteration of facilities associated with existing missions, to include expansion of certain existing missions. This includes $181 million for new or replacement construction and $87 million for modernization of existing facilities.

While I have addressed the budget request in aggregate terms, representatives of each reserve component are present to testify regarding the specifics of their respective construction programs. The following chart portrays a five year funding profile for the reserve components.

Reserve Component
Military Construction Funding
($ Millions)

	FY 83	FY 84	FY 85	FY 86	FY 87
Army National Guard	54.9	67.6	98.6	102.2	121.1
Army Reserve	41.8	54.7	69.3	61.3	86.7
Naval Reserve	14.7	18.8	50.3	{41.8	24.6
Marine Corps Reserve	10.7	11.8	10.5		19.9
Air National Guard	127.9	108.9	111.2	121.3	140.0
Air Force Reserve	35.6	41.2	67.8	63.0	58.9
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TOTAL	285.4	303.0	407.7	389.6	451.2

The Services are continuing to plan for the influx of new equipment procured for, or redistributed to, the reserve components. The FY 1987 budget requests approximately $34 million for dedicated storage facilities. Additionally, each new or modernized facility, such as an armory or reserve center, will have storage capacity for their home station equipment.

To ensure that the appropriate type and size of facilities are provided, we have revised construction policy guidance for reserve component facilities by delegating to the Services the responsibility for writing construction criteria specifically tailored to meet the requirements of the National Guard and Reserve. These criteria are subject to review and approval by our office.

Our management philosophy regarding military construction programs is that our investment in military construction should be determined by mission-associated requirements, to include equipment storage, and the ability to execute our construction programs in an efficient and timely manner. To this end, my staff participates in the planning, programming, budgeting, and execution of reserve component military construction programs. We carefully review Service decisions as to what, where, and when to build. We support prudently justified projects that improve mission accomplishment and permit effective training, resulting in a higher state of readiness.

The backlog of reserve component facilities is estimated at more than $2 billion. This year we began to itemize in detail all projects in the backlog. When this is complete, we will validate the necessity of these projects. The final result will be a list of projects prioritized by their relative contribution to readiness. With a firm backlog requirement, we will develop plans for its containment and systematic reduction.

Aside from sound project justification, we view project design as the key to successful program execution. Since projects must be 100 percent design complete prior to contract award, we plan to have all projects more than 35 percent design complete when the FY 1988 President's Budget is submitted. Our plan is to have all projects 65 percent design complete when the FY 1989 President's Budget is submitted. This policy will ensure 100 percent design completion of requested projects at or prior to the appropriation enactment. It also will permit early program execution and provide for appropriate use of savings for additional projects via congressionally approved reprogramming actions. The reserve component military construction projects in the FY 1987 budget are at a higher design status than in FY 1986, and we have budgeted increased design funds to pay the up-front cost of increasing the average design status to 65 percent for the FY 1989 budget. The reserve component military construction programs historically have very low design breakage and lost design effort, and our effort to increase design status will result in better cost estimates as well as more timely execution.

Reserve component construction program execution has continued to improve. In FY 1985, we achieved a first year execution rate of

86 percent of projects, an increase of 5 percent over the rate in FY 1984. In fact, the reserve component first year execution rate was the highest rate in the Department of Defense for 1985.

We believe that projects should be executed as approved in the budget process, with contract awards as early as possible in the fiscal year. In this way, the number of reprogrammings for cost variation should be minimal, and reprogrammings should be needed only to gain approval of additional projects to utilize savings generated by execution of the program. To afford Congress the opportunity to consider the additional projects, we propose to submit reprogramming requests for additional projects when the Military Construction budget is pending congressional review.

Mr. Chairman, this concludes my statement. I thank you for this opportunity and for the support the Committee has provided the reserve component military construction programs.

FUNDING LEVEL

Mr. **Hefner**. Thank you, Colonel Rosamond.

The construction budget for the Reserve components has grown from $285 million in 1983 to $451 million in Fiscal Year 1987. This is a 58 percent increase. The 1987 request is 15 percent above the 1986 level. Is this level of growth adequate, in your opinion?

Colonel **Rosamond**. Pardon me, Mr. Chairman?

Mr. **Hefner**. You probably answered this question in your testimony, but you might answer it again.

Colonel **Rosamond**. I believe that it is, and my numbers show a $62 million increase. I also believe the $451 million is adequate. It presents us with a program that we can execute and manage well.

I might point out, Mr. Chairman, that in the out years, the program continues to grow. And part of the design funds, the $57 million, is to support that effort. So we are on an upward ramp and we intend to stay there.

LUMP SUM BUDGETING

Mr. **Hefner**. The construction projects, as you know, for the Reserve components are authorized on a lump sum basis, but appropriated on a project basis. Are the Reserves satisfied with this procedure? If you are not, then why not?

Colonel **Rosamond**. Mr. Chairman, I have no problems with that from a management point of view. Lump sum authorization and lump sum appropriation provide greater flexibility. That is the way it is set up in the statutes. I understand that gives us flexibility. In my philosophy of management, I think line item is quite adequate.

However, there is another point that I would like to make. Being that we are identifying the projects $400,000 and under, which is a significant number of projects in the budget identified on a line item basis this might cause some problems in execution. I do not know. This is the first year that we will have done this and I would like to make the statement we might need lump sum flexibility along these lines in the future.

I just do not know. This is the first time that we will have done it, Mr. Chairman.

REPROGRAMMINGS

Mr. **Hefner**. In the past few years, numerous reprogramming requests have been submitted which fund new projects with savings from prior year programs. To what extent do you now have available savings and will they be used for funding new projects this year?

Colonel **Rosamond**. Mr. Chairman, we are into the second quarter of Fiscal Year '86. The data that I have, we have opened 27 bids, indicates that we do not have any savings in '86. This is in addition to the implications of Gramm-Rudman in '86, and in the prior years which struck approximately $9.2 million. These actions have further reduced the savings.

When you consider the general reductions that have been imposed on the appropriations in the past, I am not sure we will have any savings to apply to new projects. At this point in time, I am not able to answer your question. Hopefully, by the end of the second quarter, I can address that in a more knowledgeable manner.

Mr. HEFNER. Do you have any projects which are not included in the fiscal '87 request, in anticipation of funding by reprogramming this year?

Colonel ROSAMOND. Sir, I would like to defer to the components on that. To my knowledge, I have not——

Mr. HEFNER. Would you give me that for the record, also?

Colonel ROSAMOND. I would be glad to provide that for the record.

[The information follows:]

The only projects not included in the fiscal 1987 request in anticipation of funding by reprogramming this year are two Naval Reserve projects, one directed in the fiscal 1986 appropriation conference report to be reprogrammed for a Naval Reserve center at Memphis, Tennessee, and one at NAS Memphis for a hangar was dropped from the fiscal 1987 request before the general reduction used up all fiscal 1986 savings.

[CLERK'S NOTE.—The followings questions were submitted by Mr. Hefner:]

FUNDED POSITION BY SERVICE

Question. Provide for the record the current funded position of each reserve component for major construction.

Answer. The current position of each reserve component is as follows for FY 1985 and prior:

Army National Guard: $300,000 is uncommitted.

Army Reserve: All funds are committed.

Naval Reserve: $4,602,000 is uncommitted; however, these funds will be used to partially offset the $10,000,000 congressional general reduction imposed on the FY 1986 MCNR appropriation.

Air National Guard: Shortfall of $10,939,000 due to FY 1985 congressional general reduction.

Air Force Reserve: $2,628,000 is uncommitted; however, these funds will be used to partially offset the $5,000,000 congressional general reduction imposed on the FY 1986 MCAFR appropriation.

PRIORITIZATION OF REPROGRAMINGS

Question. How do you prioritize those projects that are sent over for reprogramming?

Answer. The reserve component reprogramming requests are prioritized based on the following criteria:

1. Urgency of need.
2. Availability of funds.
3. Completion of design.

GRAMM-RUDMAN REDUCTIONS

Question. What effect has the general reduction in the fiscal year 1986 program together with the Gramm-Rudman reduction had on the execution of the fiscal year 1986 program?

Answer. The FY 1986 appropriations have been reduced a total of approximately $19.1 million to meet the 4.9 percent Gramm-Rudman sequestration. Additionally, general reductions of approximately $42.85 million have reduced available FY 1986 funding by approximately 11.8 percent. Taken together, these reductions of $62 million represent approximately 16 percent of the original funding. Therefore, we must average 84 percent of the original programmed amounts, on average, to award all projects.

Experience to date, based on 27 bid openings, shows low bids at an average of 100 percent of original programmed amounts. We may execute only 84 percent of our projects, due to these reductions, unless the bidding climate improves dramatically.

In order to improve the number of project awards, the reserve components are identifying scope reductions and redesigning some projects. Since these additional design costs were unprogrammed, they will affect the design status of follow-on programs. Further, the items deleted from these projects may never be constructed. If they are constructed later, it will most likely be at a higher cost.

A further effect of the Gramm-Rudman reduction will be felt in reprogramming. Prior to FY 1986 the threshold for reprogramming wa 125 percent of programmed amount. In FY 1986 it has been reduced to 120 percent of programmed amount. However, since the programmed amount used for determining reprogramming is the Gramm-Rudman reduced programmed amount, the threshold is actually 115 percent of original programmed amount. This could lead to an increased need for cost variation reprogrammings.

Question. Provide for the record the list of projects that are impacted, and indicate how they are impacted by the reductions.

Answer. Under Gramm-Rudman every project authorized and appropriated in FY 1986 was reduced by about 4½ percent. The 191 reserve component projects were reduced by a total of $16.1 million. The individual project amounts are as specified in the Sequestration Report for Fiscal year 1986, jointly authored by the Congressional Budget Office and the Office of Management and Budget. Prior year unobligated balances were reduced $9.2 million. FY 1986 minor construction was reduced $1.2 million and planning and design was reduced $1.8 million.

The FY 1986 general reductions of $42.85 million will be offset against major construction projects only.

Including the Air National Guard's general reduction of $10 million in FY 1985, the Reserve Component Military Construction programs have been decremented by slightly more than $81 million.

The following FY 1986 projects have already been deferred as a result of these reductions:

State and installation	Project	Original programmed amount
California, Fresno	Fire Suppression System	$650,000
Connecticut, Bradley	Fire Suppression System	570,000
Kansas, McConnell	Fire Suppression System	775,000
Kansas, McConnell	Aerospace Ground Equip Shop	670,000
Maryland, Andrews	Support Equip/NDI/POL Ops	1,500,000
Maryland, Phelps	Alter Dorms—Energy Consv	1,800,000
North Dakota, Hector	Upgrade Hangar	700,000
Oklahoma, Tulsa	Fire Suppression System	850,000
Pennsylvania, Harrisburg	Operations & Training Complex	3,600,000
West Virginia, Kanahwa	Fire Suppression System	1,400,000
West Virginia, Martinsburg	Fire Suppression/Alarm System	800,000

State and installation	Project	Original programmed amount
Missouri, Kansas City	Alterations & Repair of NMCRC	4,000,000
Virginia, NAS Norfolk	Hangar Rehabilitation	1,400,000
Tennessee, Memphis	Fire Station	650,000

The following FY 1986 projects have been identified for delay as a result of these reductions:

State and installation	Project	Original programmed amount
Colorado, Peterson AFB	Aircraft Maintenance Dock	3,560,000
Louisiana, New Orleans	Squadron Operations	1,820,000
Pennsylvania, Willow Grove	Aerial Port Training Facility	1,200,000
Texas, Kelly AFB	AGE Shop, Storage	760,000
Texas, Kelly AFB	Apron Hydrant Fuel System	8,760,000
Texas, Kelly AFB	Avionics Shop	1,600,000
Texas, Kelly AFB	Fuel System Maintenance Dock	5,900,000
Texas, Kelly AFB	Squadron Operations	2,600,000

The following FY 1985 projects have been deferred as a result of these reductions:

State and installation	Project	Original programmed amount
Arizona, Sky Harbor	Medical Training/Admin Fac.	$900,000
California, Fresno	Add/Alter Jet Fuel Storage Fac.	900,000
Maryland, Martin	Upgrade Hangar	2,500
Minnesota, Selfridge	Alter Aircraft Engine I&R Shop	500,000
Missouri, Rosecrans	Add to Squad Ops Facility	1,100,000
Nevada, Reno	Fire Suppression System	800,000
New York, Schenectady	Jet Fuel POL Refuel Vehicle	1,800,000

The following project was to be reprogrammed using savings but has been deferred:

State and installation	Project	Original programmed amount
Tennessee, NAS Memphis	Aircraft Maintenance Hangar	$4,400,000

Additional projects probably totalling at least $14 million will have to be deferred in order to satisfy these reductions. The projects will not be known until more bids have been opened and evaluated.

A large number of projects are currently being identified for potential scope reductions and redesigns as the bidding process continues.

[CLERK'S NOTE.—End of questions submitted by Mr. Hefner.]

DEDICATED STORAGE FACILITIES

Mr. **Hefner**. The 1987 request contains $34 million for dedicated storage facilities at various locations. Is this level adequate?

Colonel **Rosamond**. That level is based on the programs that the components developed themselves. In my opinion, it probably is adequate. There might be some exceptions to that, sir. I can go back and make that assessment and provide you with more detailed information for the record, if you would like.

Mr. **Hefner**. In Fiscal Year '86, an additional $30 million over the requested amount was authorized for the Army National Guard for these storage facilities. Do you support any additional funding, above the '87 budget request for dedicated storage facilities?

Colonel **Rosamond**. Yes, we do, sir. I understand that that is for local storage facilities at the armories and they are small buildings. Yes, we do, sir.

Mr. **Hefner**. We asked you about the $30 million over the requested amount for the storage facilities, and we asked you if support any additonal funding above the 1987 budget request for dedicated storage facilities, and I believe you said you did, which goes beyond the President's request.

Colonel **Rosamond**. No, we support that $30 million, the additional $30 million in 1986. I have no requirements beyond the President's budget.

Mr. **Hefner**. I guess we misunderstood. All right. Well, I thought that would be a bit unusual.

General **Temple**. I think that I misunderstood the question in that I thought you were asking, is there a requirement and the answer is yes.

Mr. **Hefner**. A requirement and a request are a lot different, though.

General **Temple**. That's true.

Mr. **Hefner**. Mr. Coleman.

PROGRAMING PROCEDURES—NATIONAL GUARD

Mr. **Coleman**. I would like to understand better, Mr. Secretary, how it works in terms of all of us getting the total amounts requested. For example, if you have an Air National Guard facility, and they have a request for some construction work, does it go through the state? For example, the Guard in my state is headquartered in Austin, Texas, and rather than me having the ability to see the request I guess those are either approved or discussed at that level what is the procedure after that level?

For example, when the head of an Air Guard located in Biggs Air Force—Biggs Army Air Field now—makes a request for construction, what process does it goes through?

Colonel **Rosamond**. If it is in the Guard and if it's not constructed on federal property, there are combinations of funding mixes you could have there.

Mr. **Coleman**. Well, assume it would be on federal property.

Colonel **Rosamond**. Well, that would normally be fully federally funded. That would be a fully federally funded project. Where you have a problem is when the facility is not on federal property, and

I use an armory as an example. You have to have state matching funds, and that causes problems.

We have taken some steps along that line, specifically in the design funding, where we are trying to fund the design up front with federal money, a reimbursable aspect. That gets the project started. It also gives the state and the Guard Bureau an opportunity to bring these funds into alignment in a timely method with both budget processes, because you realize some states are on a two-year budget cycle. Does that answer the question?

Mr. COLEMAN. Well, a little bit. Let me ask you this question. I've got an Army base located in my district. I have on occasion to been on that base, Ft. Bliss, to discuss with the commanding general their needs to—make a needs assessment, and see what their priorities are in any given budget year. If there are three projects that are requested by the Administration or none, or however many, I know what the priorities are.

Colonel ROSAMOND. I understand.

Mr. COLEMAN. And I bring that kind of information here to the Congress and when the time comes for us to finally decide what is an absolute top priority and one of those "need to have" items and not "nice to have" items, I know that.

My problem is it seems I don't have that same ability with the various facilities also located in my district. For example, I have an Army National Guard Armory there, I have an Air National Guard facility at what's now called Biggs Army Air Field which is at Ft. Bliss. The only way I have any knowledge of what their requests are is through the commanding general's office at Ft. Bliss, Texas. And I need to know where I should go to get the necessary information for priorities.

Colonel ROSAMOND. From an OSD point of view, when these budgets are submitted and we review them—which I participate in fully—I make the assumption that the Services have prioritized their projects based on their needs. Given that, I would like for Gen. Temple to explain how the Guard does it.

General TEMPLE. A good example, Texas, the place where you identified the prioritization is in Austin at the state National Guard headquarters. The Adjutant General for the state of Texas in concert with the Army and Air deputies who serve the state, the state legislature and the Governor of Texas will identify what priorities make sense to them for their National Guard. They transmit that listing to the National Guard Bureau, both to the Army and to the Air side, and then we, in concert with the committee, develop our submissions for construction; essentially, by programming projects during the program years that we're dealing with. But the state national guard headquarters in Austin is the key.

Mr. COLEMAN. When you say you submit them; you're talking about OSD?

General TEMPLE. No, the National Guard Bureau, through OSD, to the members of the committee here.

Mr. COLEMAN. Okay. So in other words, you are anticipating, as the Secretary suggested, matching funding if it's not located on federal property.

General TEMPLE. Yes. That's the complex part, and I don't mean to deviate from Colonel Rosamond's response to the Chairman, but when you talk about line item versus lump sum, you who may have served in state legislatures know the issues surrounding state dollars at specific times. We find the line item system to be cumbersome insofar as we're concerned because it essentially abrogates our ability to change items if one state is unable to come up with the matching funds at a precise time.

So for the remainder of the Reserve forces it may very well be effective for the National Guard, and for those of us who rely on the state legislatures it is cumbersome.

Mr. COLEMAN. I guess again, I still need to find the one place I find those priorities. Do I need to go talk to my local Guard?

General TEMPLE. In Texas, the state headquarters in Austin, Major General Dennis is the Adjutant General——

Mr. COLEMAN. In other words, go see the state commander, is that correct?

General TEMPLE. Or come to our office and we will identify for you what the State of Texas has prioritized in their program. We'd be pleased to do that for you.

Mr. COLEMAN. Well, the reason I asked has to do with Air Guard at Biggs. I had an understanding that the present facility was designed to be used by two units; however, there are presently four units now utilizing it. I would like to know whether or not we have the necessary facilities and what kind of procedures are needed to address the problem.

Let me ask one other question for the record, which has been raised by a number of my constituents. What is the procedure that is used in determining which state National Guard units are to serve in Honduras? I'd like to see how that procedure actually works. I understand the Arizona Guard I think is there now and the Texas Guard has been there. And I am interested in what kind of procedure we went through to make that determination.

General TEMPLE. I am totally responsible fo· the decisions surrounding the units going to Honduras. I make that decision based on the recommendations of my staff in concert with the United States Army Forces Command and in coordination with the United States Army Southern Command.

[The information follows:]

The procedure used to select units of the Army National Guard to train in Honduras considers the requirement placed on the Guard and Reserves by the Southern Command through the Joint Chiefs of Staff. This requirement is matched against units with that type of mission, high state of equipment and personal readiness and unit strength. All National Guardsmen training overseas must be volunteers and have the consent of the Governor.

The Texas National Guard was selected because of the kind of organization they are, because of the language familiarity which many members of the unit, particularly in South Texas, possess. And in discussing it with the Adjutant General of Texas I asked him if he felt that the kind of training would be helpful to his organization and he indicated that it was.

The Forces Command Commander becomes involved because he's interested in the wartime capabilities of the unit. He selected the specific unit in Texas because it was the unit affiliated with the First Cavalry Division and has a very early deployment schedule, and we thought it would be efficacious if it did make the trip to Honduras. It was the kind of terrain which was helpful to them.

Mr. Coleman. I don't have any other questions, Mr. Chairman.

USE OF PROCUREMENT ACCOUNT FUNDS FOR STORAGE FACILITIES

Mr. Murray. Last year the $30 million was authorized for these facilities in the Military Construction account, and appropriated in the procurement account. Are you going to be able to use that money in the procurement account for those facilities?

Colonel Rosamond. We can use that for certain type facilities in the procurement account. The question is getting the appropriations and authorizations lined up. General Temple, do you have any comments on that?

General Temple. Let me defer to the technical expert, Mr. Aron, who has appeared before you for many years.

Mr. Aron. My understanding is OSD is trying to have Congress provide the authorization under the procurement bill for that $40 million, and then we could use it to construct these buildings.

Mr. Murray. So you have to wait a year in effect.

Mr. Aron. Unless they do it this year. But according to our legal advisors, we cannot mix appropriation for procurement and authorization for military construction.

Mr. Murray. Why did you not pursue the idea of transferring the money into Military Construction either the 1987 request or a supplemental? That's a possibility, isn't it?

Colonel Rosamond. I think that is a possibility we should investigate in OSD. It's a point well taken.

General Temple. Would that give us more flexibility?

Mr. Murray. I think you could use the money if you transferred it into that account and Congress approved it.

General Temple. Could it be employed for minor construction projects?

Mr. Murray. I would think so.

Colonel Rosamond. By doing it that way you would clean up some technical aspects. I understand exactly where you're coming from.

[Clerk's note.—Additional questions submitted by Mr. Hefner follow:]

PROJECTS NOT YET AWARDED

Question. Provide for the record a list of fiscal year 1984 and fiscal year 1985 projects which have not been awarded.

Answer. The following fiscal year 1984 and 1985 projects have not been awarded.

Fiscal year	State and installation	Project
Army National Guard:		
1985	Massachusetts, Boston	Armory
1985	Massachusetts, Boston	Armory
1985	Washington, Fort Lewis	V.E. Trng Site Facility
Army Reserve:		
1984	Hawii, Fort DeRussy	Add/Alter Army Reserve Center

Fiscal year	State and installation	Project
Navy Reserve:		
1984	Indiana, Fort Wayne	Training Building Alteration.
1985	Illinois, Rock Island	Combat Vehicle Maintenance Shop.
Air National Guard:		
1984	Tennessee, Memphis	Fuel Sys Maint/Corrosion Ctrl Dock.
1985	Alabama, Abston	Comm-Elect Training Facility.
1985	Arizona, Sky Harbor	Medical Training/Admin Facility.
1985	Califorina, Fresno	Add/Alter Jet Fuel Storage Facility.
1985	California, Fresno	Fuel Sys Maint/Corrosion Ctrl Dock.
1985	Connecticut, Orange	ADAL Vehicle Maintenance Shop.
1985	Maryland, Andrews	Squadron Operations Facility.
1985	Maryland, Andrews	Alter Aircraft Maintenance Hangars.
1985	Maryland, Martin	Upgrade Hangar.
1985	Maine, Selfridge	Alter Aircraft Engine I&R Shop.
1985	Missouri, Rosecrans	Add to Squad Ops Facility.
1985	Nevada, Reno	Fire Suppression System.
1985	New York, Schenectady	Jet Fuel/POL Refuel Vehicle.
1985	New York, Stewart	Base Engineer Maintenance Facility.
1985	New York, Stewart	Fire Station.
Air Force Reserve:		
1984	Arizona, Luke AFB	Composite Hangar with Shops.
1984	Arizona, Luke AFB	Age Shop and Storage.
1984	Arizona, Luke AFB	Conventional Munitions Shop.
1984	Arizona, Luke AFB	Munitions Storage Facility.
1984	Pennsylvania, Willow Grove NAS	Vehicle Maintenance Shop.
1985	Alabama, Maxwell AFB	Add to squadron operations.
1985	Indiana, Grissom AFB	Aircraft Engineer I&R Shop.
1985	Miane, Selfridge ANGB	Organizational Maintenance Shop.
1985	Ohio, Youngstown IAP	Fireman Training Facility.
1985	Texas, Kelly AFB	Hangar.
1985	Wisconsin, Gen. Billy Mitchell Field	Add to Vehicle Maintenance Shop.

PROJECTS NOT MEETING DESIGN STATUS

Question. Colonel Rosamond, you indicated that two projects requested do not meet the congressional design status of 35 percent. Would you tell us or provide for the record the two projects you refer to?

Answer. The two projects not meeting the design status are at Tinker AFB, OK, supporting the conversion from F-4 to F-16 aircraft. They are an alteration project to an existing avionics shop and an addition/alteration/construction project for various supporting aircraft maintenance shops. Both projects are scheduled to be 35 percent designed by June 1986, and the project schedules indicate construction contract award during the second quarter of FY 1987.

PLANNING AND DESIGN

Question. The request for planning and design increased by 40 percent over the fiscal year 1986 level. Why is such a large increase required?

Answer. The request for planning and design increase is required for two reasons. The first is to satsify the continued upward ramp of the reserve component military construction programs.

Additionally, in order to ensure 100 percent design completion of requested projects at or prior to appropriation enactment, it is planned to have all projects beyond 35 percent design complete when the FY 1988 President's Budget is submitted and all projects 65 percent design complete when the FY 1989 President's Budget is submitted. The Reserve Components had worsening and unacceptably low first year project execution rates through Fiscal Years 1981, 1982 and 1983, hitting a low of 57 percent. Since that time, we have instituted a number of management practices that enable the Reserve Components in 1985 to regain the execution rate of 86 percent of projects that had not been attained since 1980. Increased design funds to pay the up-front costs of increasing the average design status for the FY 1988 and 1989 budgets are being requested in the FY 1987 submission as a further improvement in management practice. The increased design status will result in better cost estimates, more timely program execution, and fewer cost variation reprogramming requests.

[CLERK'S NOTE.—This is the end of Mr. Hefner's questions.]

Mr. HEFNER. Thank you, Colonel. We will now turn to the Army National Guard's request of $121.1 million for fiscal year 1987, and General Temple, we will place your entire statement in the record and you can summarize. You can proceed anyway that you see fit, sir.

STATEMENT OF MAJ. GENERAL HERBERT TEMPLE, DIRECTOR, ARMY NATIONAL GUARD

General TEMPLE. Very well, Mr. Chairman and members of the committee, I welcome the opportunity to appear before this committee and discuss our fiscal year 1987 Military Construction Program request. I have a prepared statement which you indicated will be submitted for the record.

The modernization and expansion of our facilities inventory are paramount to the successful execution of our missions. We cannot build all the needed new facilities and modernize our aged buildings at one time. The overcrowding and use of inadequate facilities will continue. Our challenge is to focus the available construction resources in the most effective combination of facilities to sustain our existing Force structure and to meet the needs to undertake new missions.

Our program this year totals, as you indicated, $121.1 million; $71.9 is for major construction projects. This program emphasizes the need for improved training. New automated rifle ranges in Michigan will assist in mastering and sustaining marksmanship skills. The tank commander course in Idaho is needed to develop battle skills. The new regional maintenance training centers in Iowa, Mississippi and North Carolina are for specialized training needed to maintain new equipment such as the M-1 tank and the M2 Bradley fighting vehicles.

Seven of the 29 requested Armory projects are for the reactivation of the 29th Infantry Division (Light) in Maryland and Virginia. Some of the Virginia units are not at the authorized strength levels according to guidelines. These units are either new or being organized from units within the state. The critical shortage in armory space in each location precludes delaying these projects. Construction of each project will proceed only when the required strength levels are reached. The Adjutant General of Virginia is confident that recruiting drives this year will be successful and construction can proceed as programmed.

The only aviation facility requested this year is for the 30th Aviation Battalion in North Carolina which is being equipped with the AH64 "Apache" aircraft.

Our program request includes a new section entitled "Projects Costing $400,000 and Less," which includes 97 low dollar projects valued at $25,533,000. These projects are to modernize our weapons training ranges and to construct organizational level maintenance shops and Armory storage buildings. Our remaining unspecified minor construction request totals $4,647,000.

Planning and Design. Our request for $19 million in planning and design funds will permit us to develop our expanding outyear construction programs.

Mr. Chairman, this concludes my statement. On behalf of all the 438,000 Guardsmen and women, I want to thank and this committee for the support provided to the Guard Construction Program. If there are any questions I'll be pleased to furnish the information you require. And earlier, I introduced to you Mr. Fred Aron, the technical expert in the National Guard Bureau, who has been providing details to this committee for a great many years. Thank you, sir.

[The prepared statement of Major General Herbert R. Temple, Jr. follows:]

STATEMENT BY

MAJOR GENERAL HERBERT R. TEMPLE, JR.

DIRECTOR, ARMY NATIONAL GUARD

DEPARTMENTS OF THE ARMY AND AIR FORCE

BEFORE THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

SECOND SESSION, 99TH CONGRESS

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

HEARING DATE: 20 FEBRUARY 1986

MAJOR GENERAL HERBERT R. TEMPLE, JR.
DIRECTOR, ARMY NATIONAL GUARD

General Temple began his military career as a private in the 160th Infantry Regiment (Los Angeles' Own), 40th Infantry Division, California National Guard, on 2 June 1947. He was called to active duty in September 1950 and served in Korea as a noncommissioned officer with the 5th Regimental Combat Team, 24th Infantry Division. He was discharged from the Army on 23 May 1952 and subsequently rejoined the 160th Infantry Regiment.

After his direct appointment to second lieutenant on 20 October 1952, General Temple served as a platoon leader and company commander within units of the California Army National Guard's 40th Infantry Division and 40th Armored Division. On 1 June 1962, he was promoted to major and served as Assistant G-1 and Acting G-1, 40th Armor Division and S-1 of the 40th Division Support Command. On 15 September 1966, he assumed command of the 40th Supply and Transportation Battalion, 40th Armored Division and was promoted to lieutenant colonel on 16 November 1966. A year later, he became the Commanding Officer, 3d Battalion, 160th Infantry, 40th Infantry Brigade (Separate). On 22 July 1968, he was assigned as an Operations and Training Officer, Headquarters and Headquarters Detachment, California National Guard. He became the Commandant, California Military Academy (State OCS) on 15 October 1970 and was promoted to colonel on 1 November 1970. During the period 22 July 1968 to 3 March 1971, General Temple served as the Military Assistant to the Governor of California. He was assigned as the Deputy Brigade Commander, 49th Infantry (Separate) on 1 November 1971 and on 13 January 1974 became Commanding Officer, 3d Brigade, 40th Infantry Division (Mechanized).

In addition to his military career, General Temple is the former vice-president and part owner of a trucking and transportation company and also served as the Director of California's Office of Emergency Services.

General Temple attended the United States Army War College from July 1974 to May 1975. After receiving his Masters Degree in public administration, he reported to the National Guard Bureau on 12 September 1975 as the Chief, Office of Mobilization Readiness. On 1 September 1976 he became Chief, Office of Policy and Congressional Liaison.

On 1 October 1978 he was promoted to brigadier general and became Deputy Director, Army National Guard. On 19 August 1982 he was appointed Director, Army National Guard and federally recognized as major general.

General Temple has been awarded the Legion of Merit, Meritorious Service Medal, Army and Air Force Commendation Medals, Good Conduct Medal, Korean Service Medal with one Bronze Service Star, Combat Infantryman Badge and numerous other decorations.

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE

I WELCOME THE OPPORTUNITY TO AGAIN APPEAR BEFORE THIS COMMITTEE AND PRESENT OUR MILITARY CONSTRUCTION PROGRAM REQUEST FOR FISCAL YEAR 1987. ON BEHALF OF ALL THE OVER 430 THOUSAND GUARDSMEN AND WOMEN, I THANK YOU AND THIS COMMITTEE FOR THE SUPPORT PROVIDED TO THE GUARD AND THE GUARD'S CONSTRUCTION PROGRAM.

THE NATIONAL GUARD CELEBRATES ITS 350TH ANNIVERSARY IN 1986--350 YEARS OF SOLDIERING, 350 YEARS OF NEIGHBORS HELPING NEIGHBORS, 350 YEARS OF DEDICATION AND PROFESSIONALISM, 350 YEARS OF FIGHTING FOR AND DEFENDING THE FREEDOM OF OUR COUNTRY. AS WE LOOK AT OUR HISTORY AND INTO OUR FUTURE, WE SEE A COMMON THREAD--A MILITARY COMPONENT DEDICATED TO FREEDOM AND DEMOCRACY - CITIZEN SOLDIERS CONTRIBUTING A MAJOR PORTION OF THE NATIONAL DEFENSE- FROM 100 PERCENT OF THE COMMON DEFENSE IN COLONIAL MASSACHUSETTS TO NEARLY HALF OF THE ARMY'S COMBAT CAPABILITY TODAY.

THE NATIONAL GUARD IS A UNIQUE MILITARY FORCE THAT IS DEEPLY INGRAINED IN THE ECONOMIC AND SOCIAL LIFE OF MORE THAN 2600 COMMUNITIES IN OUR NATION. THE 3,350 UNITS OF THE ARMY NATIONAL GUARD ARE IN MANY INSTANCES A VITAL PART OF THE HISTORY OF THEIR STATE AND REGION. GENERATIONS OF FAMILIES HAVE SERVED IN GUARD UNITS IN PEACE AND WAR. TO UNDERSTAND THE PRIDE AND MOTIVATION THAT SERVES THE NATIONAL GUARD, IT IS ESSENTIAL TO RECOGNIZE THE COHESION AND ESPRIT THAT COMES FROM FRIENDS AND NEIGHBORS STRIVING TOGETHER FOR MUTUAL SATISFACTION AND PROTECTION.

THIS COMBINATION, ALONG WITH ITS HERITAGE OF PATRIOTISM AND VALOR IN BATTLE, GIVES THE GUARD ITS MEANING AND PURPOSE, AND ESTABLISHES A MILITARY FOUNDATION SELDOM FOUND EVEN IN THE REGULAR FORCES OF THE WORLD.

TO SUPPORT THIS FORCE, WE MUST BUILD AS NEW UNITS REQUIRE AND TO PREVENT THE CONTINUING AGING AND DETERIORATING OF EXISTING FACILITIES. OVER 1700 OF THE 2,858 ARMORIES CURRENTLY IN SERVICE WERE BUILT PRIOR TO 1960. WHILE IT IS TRUE THAT SOME OF THESE OLDER ARMORIES ARE IN GREAT SHAPE AND ARE THE PRIDE OF THE UNITS AND COMMUNITIES; THERE ARE HUNDREDS WHICH ARE NO LONGER SERVICEABLE AND MUST BE REPLACED. WITH CONSTRAINTS ON RESOURCES, THE CATCHING UP WITH OUR FACILITIES MODERNIZATION GOALS IS NOT POSSIBLE.

THE NATIONAL GUARD IS BEING ASKED TO SHOULDER MORE AND MORE RESPONSIBILITY FOR NATIONAL DEFENSE AND HAS BECOME SO ESSENTIAL TO NATIONAL SECURITY. NEVER BEFORE IN THE HISTORY OF THE NATIONAL GUARD HAVE CITIZEN SOLDIERS BEEN ASKED TO BEAR THE RESPONSIBILITIES AND MAKE COMPARABLE SACRIFICES IN PEACETIME THAN THEY ARE TODAY.

TODAY'S THREATS ARE DIFFERENT THEN IN THE PAST. GUARD UNITS WILL NOT HAVE TIME OR DISTANCE FROM THE ENEMY TO MARSHALL BEFORE THE BATTLE. NOT ONLY MUST WE HAVE THE NECESSARY EQUIPMENT ON HAND OR READILY AVAILABLE FOR USE IN BATTLE WITHIN DAYS OR WEEKS OF MOBILIZATION, THE GUARDSMEN MUST BE TRAINED TO OPERATE AND FIGHT ON DAYS NOTICE. FOR THE MOST PART, THIS TRAINING IS ACCOMPLISHED AT DIVERSE LOCATIONS THROUGHOUT THE COUNTRY ON A PART-TIME BASIS. MODERNIZATION OR EXPANSION OF OUR TRAINING SITES AND EQUIPMENT SUPPORT FACILITIES ARE PARAMOUNT TO THE SUCCESSFUL EXECUTION OF OUR MISSIONS.

WE REALIZE THAT WE CANNOT BUILD THE NEW NEEDED FACILITIES EVERYWHERE AND MODERNIZE OUR AGED BUILDINGS ALL AT ONE TIME; OVERCROWDING AND USE OF INADEQUATE FACILITIES WILL CONTINUE TO BE WITH US. FACILITIES NEEDED TO ACHIEVE AND MAINTAIN WARTIME READINESS MUST BE OUR FIRST PRIORITY, PLUS A LIMITED REPLACEMENTS EACH YEAR.

OUR CHALLENGE IS TO FOCUS THE AVAILABLE CONSTRUCTION RESOURCES IN THE MOST EFFECTIVE COMBINATION OF FACILITIES TO SUSTAIN OUR EXISTING FORCE STRUCTURE AND TO MEET THE NEEDS TO UNDERTAKE NEW MISSIONS IN THE INTEREST OF THE NATION'S SECURITY.

THE PROGRAM SUBMITTED THIS YEAR WITH A TOTAL REQUEST OF $121,100,000 REFLECTS THIS CHALLENGE AND MAINTAINS OUR EVOLUTIONARY CHANGES IN CONSTRUCTION PROGRAM IN RESPONSE TO THESE NEW MISSIONS. THE CHANGES TO OUR CONSTRUCTION PROGRAM ARE REFLECTED IN PART BY THE INCREASED NUMBERS OF PROJECTS INTENDED TO IMPROVE AND INCREASE TRAINING CAPABILITIES. NEW AUTOMATED RIFLE RANGES IN MICHIGAN WILL PERMIT INCREASED NUMBERS OF SOLDIERS TO MASTER AND SUSTAIN MARKSMANSHIP SKILLS DURING ANNUAL TRAINING SESSIONS. AT GOWEN FIELD IDAHO, WE ARE REQUESTING AUTHORITY TO CONSTRUCT PERMANENT FACILITIES FOR OUR TANK COMMANDER ACADEMY WHERE TANKERS LEARN THE SKILLS NEEDED TO COMMAND AND LEAD ARMOR UNITS IN BATTLE. OUR TRAINING PLANS INCLUDE NEW FACILITIES IN MISSISSIPPI AND NORTH CAROLINA AND AN ALTERED FACILITY IN IOWA FOR TRAINING GUARDSMEN TO MAINTAIN THE NEW EQUIPMENT SUCH AS THE M-1 TANK AND THE M2 BRADLEY FIGHTING VEHICLES. THESE REGIONAL MAINTENANCE TRAINING CENTERS ARE THE FORERUNNERS OF SUCH SPECIALIZED FACILITIES DEDICATED TO RESERVE COMPONENT MAINTENANCE TRAINING. THE GUARDSMEN AND WOMEN TRAINED UNDER THIS CONCEPT WILL BE ABLE TO STEP INTO DEPLOYED UNITS AND MAINTAIN THEIR NEW COMBAT EQUIPMENT.

THIS YEAR, WE ARE CONCENTRATING ON ARMORY CONSTRUCTION NECESSARY FOR THE REACTIVATION OF THE 29TH INFANTRY DIVISION (LIGHT) IN MARYLAND AND VIRGINIA.

YOU WILL NOTICE IN OUR PROGRAM JUSTIFICATION BOOK THAT THE ACTUAL STRENGTH OF SOME OF THE VIRGINIA UNITS, SUCH AS "C" COMPANY, 1ST BATTALION, 170TH INFANTRY AT LEESBURG; THE DETACHMENT OF "A" COMPANY, 3D BATTALION, 116TH INFANTRY AT LEXINGTON; "B" COMPANY, 3D BATTALION, 166TH INFANTRY AT MANASSAS; ARE NOT AT THE LEVEL OF AUTHORIZED STRENGTH ACCORDING TO YOUR GUIDELINES. THESE UNITS ARE EITHER NEW OR ARE BEING ORGANIZED FROM OTHER UNITS THIS FISCAL YEAR. RECRUITING ACTIONS ARE NOW UNDERWAY TO FULLY STAFF THOSE UNITS NOTED AS CURRENTLY UNDERSTRENGTH. THE CRITICAL SHORTAGE IN ARMORY SPACE AT EACH LOCATION PRECLUDES THE DELAY OF THESE REQUESTS UNTIL THE ACTUAL STRENGTH LEVEL GUIDELINES ARE ACHIEVED.

CONSISTENT WITH YOUR GUIDELINES AND OUR REGULATIONS, THE ACTUAL CONSTRUCTION OF EACH PROJECT, IF SO AUTHORIZED, WILL PROCEED ONLY IF THE REQUIRED STRENGTH LEVELS ARE REACHED. THE ADJUTANT GENERAL OF VIRGINIA IS CONFIDENT THAT RECRUITING DRIVES THIS YEAR WILL BE SUCCESSFUL AND CONSTRUCTION CAN PROCEED AS PROGRAMMED.

OUR REQUESTED MAJOR CONSTRUCTION PROGRAM TOTALLING $71,920,000 REFLECTS THE CHANGES IN FACILITY NEEDS TO MAKE THE GUARD MORE RESPONSIVE TO THE NEWLY ASSIGNED MISSIONS AND COMBAT ROLES. THESE FACILITY NEEDS ARE BECOMING MORE COMPLEX. THIS COMPLEXITY IS DRIVEN BY MISSION AND THE DEMANDS FOR MORE INTENSE TRAINING TO BE CONDUCTED AT THESE FACILITIES. NEW ARMORIES ARE BEING CONSTRUCTED WITH MORE CLASSROOM SPACE AND AREAS FOR TRAINING OPERATORS HOW TO MAINTAIN ASSIGNED VEHICLE AND EQUIPMENT. ALSO, THERE WILL BE MORE SPACE TO STORE AND SAFEGUARD UNIT SUPPLIES AND EQUIPMENT, WHICH IS SORELY LACKING IN OUR OLDER FACILITIES. THE MORE COMPLEX AND LARGER THE FACILITY BECOMES, THE UNIT COST AND TOTAL COST FOR CONSTRUCTION INCREASES. AS THE RESULT, THE TOTAL NUMBER OF REQUESTED PROJECTS THIS YEAR IS LESS THAN LAST YEAR.

COMPARING THIS YEAR'S REQUEST WITH OUR FY 86 REQUEST, THERE ARE 3 FEWER ARMORIES REQUESTED THIS YEAR, AND 7 OF THESE ARE FOR 29TH DIVISION UNITS. THERE ARE 10 FEWER MAINTENANCE PROJECTS AND THE ONLY AVIATION FACILITY IS FOR 30TH AVIATION BATTALION IN NORTH CAROLINA WHICH IS BEING EQUIPPED WITH THE AH64 "APACHE" AIRCRAFT. THE ONLY MAJOR INCREASE IN THE NUMBER OF REQUESTED TYPES OF PROJECTS IS FOR TRAINING FACILITIES BECAUSE OF THE REASONS I MENTIONED BEFORE.

THIS YEAR, OUR UNSPECIFIED MINOR CONSTRUCTION REQUEST IS ONLY $4,647,000. FOLLOWING THE COMMITTEE'S GUIDANCE, OUR PROGRAM REQUEST INCLUDES A NEW SECTION ENTITLED "PROJECTS COSTING $400,000 AND LESS", WITH $25,533,000 REQUESTED TO FINANCE THE 97 LOW DOLLAR COST PROJECTS IDENTIFIED FOR SPECIFIC LOCATIONS. MOST OF THESE PROJECTS ARE TO MODERNIZE OUR WEAPONS TRAINING RANGES AND TO CONSTRUCT ORGANIZATIONAL LEVEL MAINTENANCE SHOPS AND ARMORY STORAGE BUILDINGS. OUR PROGRAM JUSTIFICATION BOOK CONTAINS THE LOCATION AND DESCRIPTION OF THE NEEDED CONSTRUCTION FOR EACH OF THESE PROJECTS.

OUR OUT-YEAR CONSTRUCTION PLAN REFLECTS THE NEED FOR SIGNIFICANT INCREASES TO THE REQUEST FOR PLANNING AND DESIGN FUNDING SUPPORT THIS YEAR. THIS $19 MILLION REQUEST WILL PERMIT US TO ADVANCE THE DESIGN EFFORTS REQUIRED FOR FUTURE PROGRAM DEVELOPMENT.

CONCLUSION:

AS I MENTIONED AT THE BEGINNING OF MY STATEMENT, THE ARMY GUARD IS UNDERGOING CHANGES NECESSARY TO TAKE ON ADDITIONAL ASSIGNED MISSIONS. THE ARMY GUARD HAS BECOME A RESPECTED MEMBER OF THE TOTAL ARMY FORCE, AND IS STAFFED WITH HIGHLY MOTIVATED MEN AND WOMEN EXHIBITING THE HIGHEST DEGREE OF PROFESSIONALISM. THE FACILITIES INITIATIVES I HAVE BRIEFLY DESCRIBED AND OUR CONSTRUCTION PROGRAMS WE ARE REQUESTING, ARE INTENDED TO SUSTAIN OUR MOMENTUM IN ACHIEVING OUR GOAL OF BEING THE BEST AND TO MEET THE CHALLENGES OF OUR MISSIONS INVOLVING THE NATION'S SECURITY.

MR. CHAIRMAN, THIS CONCLUDES MY PREPARED STATEMENT ON BEHALF OF THE ARMY NATIONAL GUARD. I AGAIN EXPRESS OUR APPRECIATION FOR THE SUPPORT THIS SUBCOMMITTEE HAS GIVEN TO OUR CONSTRUCTION PROGRAM. IF THERE ARE ANY QUESTIONS, I WILL BE PLEASED TO FURNISH THE INFORMATION YOU REQUIRE.

DEDICATED STORAGE

Mr. **Hefner**. Thank you, General. The Army Guard has requested specific amounts for Armory Unit storage buildings by state. Could you explain the requirement for these facilities and the rationale for the statewide approach?

General **Temple**. Yes. Most every state is affected by the modernization of their Army element. What is occurring, as Colonel Rosamond pointed out earlier, is an influx of equipment that we have never found coming into the Guard before. In many cases, the facilities which have been existing in the communities for many years are unable to adequately store them. They weren't designed for the level of equipment currently in the hands of the Army National Guard because the mission requirements have significantly changed over the years.

So what you find in many cases is storage facilities being overcrowded, and much of that equipment now coming into training areas, which reduces the effect of being able to utilize the training areas in the armories. For both safekeeping, maintenance and utilization of equipment it becomes essential that we have additional storage facilities adequate and located generally in the area of the armory site where the soldiers can use it to train on.

[Clerk's note.—A question submitted by Mr. Hefner follows:]

STORAGE FACILITIES

Question. Last year the $30 million authorized for these facilities was added to the Procurement account of the Army National Guard. How and when will these funds be spent?

Answer. $40 million was included in the Procurement appropriations for storage facilities, but without accompanying authorization. Therefore, these funds can not be obligated. We are attempting to gain the necessary authorization and if successful, then the storage building will be constructed.

CONCORD ARMORY, NORTH CAROLINA

Mr. **Hefner**. Before I get to the next question, this is not on my list. We have a new armory in Concord, North Carolina which is very dear to my heart. We don't have but one phone line and we don't have anything in it. We have just got a building. Could you look into that for me?

General **Temple**. Yes, sir.

Mr. **Hefner**. We need, the bare essentials.

General **Temple**. Put in a unit and sell it.

Mr. **Hefner**. No, we don't want to sell it. We want it opened so if we want to have flea markets and this sort of thing.

General **Temple**. Okay, we can do that, sir.

Mr. **Hefner**. Would you check? My Administrative Assistant has been trying to call and they only have one line into there and they're planning a grand opening. It's a beautiful facility. They worked very hard at it. If you would have somebody make a note.

General **Temple**. Fred, is there something I need to know about Concord?

Mr. **Aron**. No, sir. We'll check it.

Mr. HEFNER. Please do so. It's very important.

WADESBORO ARMORY, NORTH CAROLINA

While we are talking about North Carolina, the Committee in its report for Fiscal Year 1986 directed the Army National Guard to immediately initiate design and expedite construction funding for a 60 person armory at Wadesboro, North Carolina. Could you tell me what is the status of design and why this project is not in the Fiscal Year '87 budget, as directed by the Congress? Even if design has not yet started, does the Guard have the capability to initiate construction in Fiscal Year 1987?

General TEMPLE. If my memory serves me correctly, it will be awarded this year. The Adjutant General of North Carolina has been authorized to negotiate.

Mr. HEFNER. Mr. Aron is shaking his head.

General TEMPLE. It will be negotiated, an architect-engineering contract for the necessary design for the replacement armory at Wadesboro. The National Guard Bureau issued this authority on 15 July with necessary matching funds available and the state is now proceeding with securing a design contract. A lack of design precluded the inclusion of this project in the Fiscal Year '87 budget, but all efforts will be taken to assure that the project will be available for Fiscal Year '88 budget request, so we will do the architectural engineering work this year.

Mr. HEFNER. Does the state of North Carolina plan to program necessary funds to pay for its share of the construction costs?

General TEMPLE. I am advised that they would.

Mr. ARON. Funds will be available, sir, on 1 July of this year for the construction. And next month the design contract should be awarded.

Mr. HEFNER. Good.

Mr. ARON. So they could award it in Fiscal Year '87.

Mr. HEFNER. Okay, we have some other questions for the record.

[CLERK'S NOTE.—Questions submitted by Mr. Hefner are as follows:]

LATHAM, NEW YORK

Question. The Committee directed the Army National Guard to fund the $880,000 necessary to complete the Armory and U.S. property Disposal office projects out of available funds. What is the status of this project?

Answer. The lack of uncommitted prior year funds prevents the National Guard Bureau from supporting Federal funding of the U.S. Property and Fiscal Office project at Latham, New York, as directed by the Committee. Any funds accrued from the execution of the fiscal year 1986 program cannot be used because of the new Congressional restriction on split-year funding of projects. The authorized scope ($4,577,000 for the armory and $1,289,000 for the United States Property and Fiscal Office) have already been funded. The States desires to increase the project scope which is to be funded by the $880,000 in question.

GOWEN FIELD, IDAHO—TANK COMMANDERS COMPLEX

Question. Describe the need for a tank commanders complex for the Army National Guard.

Answer. Over half of the armor units in the Total Army are in the Army National Guard (ARNG), with some 60 battalion equivalents of armor (Tank/Cavalry) units. The Reserve Component Tank Commander's Course (RCTCC) at Gowen Field, Idaho, was initiated in 1984 to accommodate the needs of the reserve components (RC). The active component (AC) was unable to train 800 ARNG tank commanders per year. The Armor Center at Fort Knox is saturated with AC and other RC training requirements such as officers basic and advanced courses and the Master Gunner's Course. The Active Army does provide the program of instruction (POI) and quality control for the RCTCC.

Question. Why can't we rely on the existing training facilities for the active forces?

Answer. As noted before, Active Army training facilities for armor training, such as Ft. Knox and Ft. Hood are saturated with Active component and other reserve component training requirements.

DRAPER, UTAH—HEADQUARTERS ACQUISITION

Question. Describe the need to spend $5.4 million to acquire a new headquarters for the State of Utah's National Guard.

Answer. The Senate Appropriations Committee last year directed the Army National Guard to program the acquisition for the replacement of the Utah National Guard headquarters complex in the fiscal year 1987 budget request and to initiate designs to alter space necessary for the units and functions to be relocated into the proposed facility. The requested joint project with the State of Utah is to purchase an existing industrial and administrative building. The building is to be modified to replace several inadequate faciliies located in the Salt Lake City area. The existing vacant building has approximately 270,000 square feet of office and warehouse space under one roof and is equipped with all supporting utilities. Not only will this building house the headquarters administration staff, but also provide space for the U.S. Property and Fiscal office and warehouse, the combined support mainetenace shop that serves the entire State, armory space for 6 units with supporting organizational maintenance shop and a centralized rations warehouse. The units are to be relocated from overcrowded or inadequate facilities in the Salt Lake City area or from buildings required for other needs at nearby Fort Douglas.

The existing logistics facilities are located in a built-up residential area. Because of traffic restrictions and safety measures, the Heavy trucks entering and leaving this area are confined to specific streets at limited time periods during the normal work level. These restrictions prevent efficient operations.

The interior of this building can be cost-effectively sub-divided and altered for the proposed administrative and maintenance functions. Acqusition of the site will be the sole responsibility of the State. The State will also acquire any remaining space not required for National Guard purposes.

[CLERK'S NOTE.—This concludes Mr. Hefners Questions.]

Mr. HEFNER. General, Mr. Bevill, my colleague, could not be here right now because he is chairing another hearing. He has asked me to insert in the record a statement with a question regarding advancing design work on Alabama armory projects originally slated for Fiscal Year 1988 and '89. And that is where all my folks live, so I thought I would put that in for him.

[CLERK'S NOTE.—Mr. Bevill's questions follow:]

ALABAMA ARMORIES

Question. Major General Temple, the Alabama National Guard has informed me that state matching funds are now available for design work on 17 armory projects originally slated for fiscal year 1988 and fiscal year 1989. Because the state funds are available, the Guard would like to move ahead on these projects in fiscal year 1987. The total federal funding needed is $673,000. These armories are badly needed and I would like to see the design work started. I would appreciate any help you can give us on this matter and I would like to hear your comments. Do you think the Title I funds can be advanced on the these projects for fiscal year 1987?

Answer. The State has requested 17 projects now programed for fiscal year 1988 through fiscal year 1990 be considered for advanced execution. Three of these projects have been authorized for design with completions scheduled this year. Ten others are under review pending design authorization. The remainder of the projects are still under development by the State. Because of constrained resources available this year, only 65 percent of the scope and cost of each project planned for fiscal year 1988 and 10 percent of the scope and cost of each project planned for the fiscal 1989 is being funded. By using this funding approach, all 17 of the Alabama requested projects as well as projects planned for the other States can be started this year. As additional funds become available, the remainder of the design for each project can be authorized. In this manner, delays encountered at the States in negotiating Architect-engineering design contract can be minimized.

[CLERK'S NOTE.—The following questions were submitted by Mr. Coleman:]

EL PASO, TEXAS

Question. Does the Army National Guard have any plans for expanding the armory at El Paso, Texas? The present facility is designed to serve two units; however, it now serves four units. Does the Army National Guard have plans to upgrade this facility to meet the increased demand?

Answer. The Adjutant Gereral, Texas, has identified the need to expand the existing El Paso armory as his 11th priority. This project is currently planned as a candidate for our fiscal year 1989 construction program.

Question. Could the Army National Guard provide justifications for projects at the Army National Guard facility in El Paso, Texas for future program years?

Answer. The requirement has been identified in the State Long-Range Construction plan, but the justification defining the project scope to expand the existing facility has not been developed. The State anticipates this action will be completed next year with the design to start the following year.

Mr. HEFNER. I have no further questions. Mr. Edwards, do you have any?

Mr. EDWARDS. Well, no, because I do not have any relatives in North Carolina or Alabama.

Mr. HEFNER. They do not need anything in Oklahoma?

Mr. EDWARDS. No, we are in good shape in Oklahoma.

Mr. HEFNER. Well, you have all the military bases and we get a $60,000 armory and you get an $8 billion air base, so what is fair is fair.

I guess there are no other questions.

We will hear from the Army Reserve on the request of $86.7 million for 1987 and Colonel McManamay, you can summarize your statement at this point and the entire statement will be a part of the record.

STATEMENT OF COL. CHARLES T. MCMANAMAY EXECUTIVE OFFICER, OFFICE, CHIEF ARMY RESERVE

Colonel MCMANAMAY. Thank you, Mr. Chairman. I have a formal statement for the record and I will make a brief statement.

I welcome this opportunity to present the Army Reserve's military construction program for Fiscal Year 1987 and to request the necessary appropriation for its execution. On behalf of the over 600,000 citizen-soldiers that make up the Army Reserve, I wish to express our appreciation for the support this committee has given our construction program.

Overall, the Army Reserve has made significant readiness progress in the areas of personnel, training, logistics, and preparation for mobilization. Indeed, we have seen an increase in paid drill staff of almost 100,000 Reservists in the last seven years

Our programs for Fiscal Year 1987 are designed to continue that progress and to do our part in attaining the total army of excellence, ready to meet today's challenges and tomorrow's challenges.

The Army Reserve is a full partner in the total Army. Wherever the active component for the Army is deployed for training and making America's presence felt, the Army Reserve is there supporting and training alongside them. REFORGER and WINTEX in Europe, TEAM SPIRIT in Korea, BRIGHT STAR in the Middle East, and BLAZING TRAILS in Central America are examples of this partnership. We no longer deploy after the active components, but deploy along with them as an integral part of the total force. Thus, the necessity to keep pace on all aspects of readiness.

In today's environment of constrained resources, the Army Reserves provides a cost-effective answer to the total Army's need for combat support and combat service support. As the need to reduce operating costs grows even greater, we anticipate the Army will place increased emphasis on the capabilities of the Army Reserve and will indeed transfer additional missions to it. We stand ready to accept these new challenges and we ask for your continued support as we prepare to meet them.

Training continues to be the most important responsibility for our Reserve commanders at all levels. With the exception of the two weeks annual active duty, this training generally takes place at the home station, that being the local Reserve Center or the nearby training area. While we cannot always quantify it, experience teaches us that the adequacy and the quality of our facilities at home station have a direct bearing on our ability to attract and retain quality soldiers, train them properly, and of course to safeguard and maintain the equipment made available to us.

We have outgrown the preponderance of our facilities. Most were built in an era in which the Army Reserve had very little equipment and very few full time personnel. While these facilities were right for the times, they do not meet our needs today. We realize, of course, that we cannot build new facilities everywhere at one time, and some inefficiencies and crowding will occur as we continue to raise the equipment levels and the full time support for the reserve units. We can and must continue to improve our wartime readiness despite these inefficiencies.

In the short run, we will supplement our construction program with leased facilities, particularly in the area of storage and maintenance for the new equipment being made available to us.

We are also designing and building specialized training facilities at convenient locations around the nation. This enables us to better train our medical personnel, maintenance personnel, and intelligence personnel.

Working with the Commander of Forces Command, we have identified and documented a construction backlog that is in excess of $1 billion. In this year's request, you will note an increase in planning no design funds, which is needed to enable us to move ahead in the design of these badly needed facilities.

You will also note, in our request this year, a number of land acquisitions. Many of our older facilities are located on small parcels of land in high density areas and cannot be expanded without the acquisition of additional real estate.

We believe we have a well balanced program that will enable us to expand and modernize our facilities to meet the needs of today's Reservists and do so at affordable costs.

Mr. Chairman, I am particularly pleased to inform this Committee that we have successfully awarded a contract on every project authorized or funded by the Congress up through Fiscal Year '85, with the exception of one project at Fort DeRussy, Hawaii that we are holding in abeyance pending the outcome of the debate on the retention of that part of the land on which our facility is located.

We believe we have a good record and we are proud of that record. We anticipate similar success with the construction of our Fiscal Year '86 program.

Our Fiscal Year '87 request is for $86.7 million, with which we propose to construct 25 major construction projects. These include nine new Reserve centers, two storage facilities, one specialized training facility for intelligence personnel, two local training areas, and the expansion and modernization of ten existing centers. Three of these major projects are joint facilities. We are also joining with the National Guard in the replacement and upgrade of a water systems plant in Little Rock, Arkansas, which will support our facilities there.

All of the projects in our request are beyond 35 percent design and will be ready for execution and award in Fiscal Year 1987.

Mr. Chairman, this concludes my statement. The Committee's continuing interest and support in satisfying our construction requirements is greatly appreciated.

I am accompanied here today by my Budget Officer, Mr. Bill Boroska and a general engineer, Lieutenant Colonel Bill Harris to help me answer any questions you may have, sir.

[The prepared statement of Colonel Charles T. McManamay follows:]

RECORD VERSION

STATEMENT BY

COLONEL CHARLES T. MCMANAMAY

EXECUTIVE OFFICER, OFFICE, CHIEF ARMY RESERVE

DEPARTMENT OF THE ARMY

BEFORE THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

HOUSE APPROPRIATIONS COMMITTEE

SECOND SESSION, 99TH CONGRESS

20 FEBRUARY 1986

MILITARY CONSTRUCTION, ARMY RESERVE

Mr. Chairman and Members of the Committee:

I welcome this opportunity to present the Army Reserve's military construction program for fiscal year 1987 and to request the necessary appropriation for its execution. On behalf of all members of the Army Reserve, I also wish to express appreciation for the support this committee has provided for our construction program.

Overall, the Army Reserve has made considerable progress in areas of personnel, training, logistics, sustaining the force, and preparation for mobilization. Our programs for fiscal year 1987 are designed to continue that progress and to do our part in attaining the Total Army of Excellence as directed by the Secretary of the Army and the Chief of Staff.

Army Reserve missions range from direct combat to combat support and combat service support. We provide units that are fully trained and capable of performing wartime missions immediately upon mobilization, and we also provide pretrained individual reinforcements. Our men and women are an integral part of the Total Army with an ever growing reliance being placed upon them. Army Reserve units no longer deploy, employ, after Active Component units, but rather, we go with them--and in many cases before some Active Component units.

The Army Reserve is a full partner in today's Total Army. Wherever the Total Army is training and making America's presence felt, the Army Reserve is there supporting that effort: REFORGER and WINTEX in Europe, BRIGHT STAR in the Middle East, and BLAZING TRAILS in Central America are examples of this effort. The Army

Reserve is there serving alongside the soldiers of the Active Component, supporting the American presence in areas where potential adversaries are attempting to expand their spheres of influence.

In today's environment of constrained resources, the Army Reserve provides a cost-effective answer to the Total Army's need for combat support and combat service support units. As the need to reduce operating costs grows greater, the Army will respond by placing increasing emphasis upon the ability of its Reserve Components to meet its operational needs. Innovation and increased productivity will be demanded from all levels of the Total Army, including the Reserve Components, if we are to meet the fiscal challenges of the next several years. The Army Reserve is uniquely qualified by its very nature as an organization of dedicated and professionally competent citizen soldiers to meet those challenges. The Army Reserve must have the continued support of Congress if it is to be effective in fulfilling its mission. We recognize that in light of deficit reduction pressures such support will be difficult to maintain during the next several years. However, we believe that the cost- effectiveness of the Reserve Components holds the key to maintaining Total Army readiness in the face of funding constraints. Moreover, because of the already constrained level of Army Reserve funding, any reductions could seriously degrade our ability to improve the support the Total Army needs today and upon mobilization.

CURRENT STATUS: Training continues to be a most important responsibility of Army Reserve commanders at all levels. With the exception of two weeks annual active duty, this training generally takes place at the individual's home facility--that being the Reserve Center or a nearby local training area. While we cannot always quantify it, experience teaches us that the quality and adequacy of our facilities have a direct bearing on our ability to attract and retain quality soldiers; train them properly; and, store, safeguard, and maintain the equipment made available to us.

Due to the decentralized nature of the Reserve Components, our construction requirements differ from those of the Active Components. We require a larger number of much smaller and more specialized facilities located in the civilian communities in which our members live. There are now 1,099 Army Reserve Centers and 267 Maintenance Facilities owned or leased by the Army Reserve.

Most of our facilities were constructed during an era in which very little equipment was issued to the Army Reserve, and we had only one or two full-time personnel who worked at the Reserve Center. As was proper for the times, our centers contained very little space for the storage and maintenance of equipment and for the full-time staff required today. These old facilities served us well for their time--but we have outgrown them.

We realize that we cannot build new facilities everywhere at one time and that some inefficiencies and crowding will occur as we continue our program to raise the equipment levels and full-time support for Reserve units. However, we must continue to improve our wartime readiness despite these inefficiencies.

In the short run, we are supplementing our construction program with the acquisition of leased space to ensure that new equipment is properly safeguarded and maintained.

Each year as we work with the Commander, US Army Forces Command to develop and prioritize our five year construction program, we take into account the total requirement, both current and projected, for the units involved. We continue to work with the units and the planners as we design the individual projects to ensure that we construct a facility that meets the needs of the units as we can best project them.

I believe that we have a viable construction program that will enable us to expand and modernize our facilities to accommodate, and get maximum utility from, programmed increases in equipment and full-time personnel.

CURRENT YEAR PROGRAM: I am particularly proud to report that we have successfully awarded a contract on every project authorized and funded by the Congress for fiscal years 1980 through 1985 with the exception of one project. This is a project at Fort DeRussy, Hawaii, which is designed but has been held in abeyance pending resolution of the retention of that part of the installation on which our center is located. The Fiscal Year 1986 appropriation provides for the construction of 20 projects. As of 12 February, 3 of these projects were awarded and two more are to be awarded this month. All of the remaining projects are scheduled for award this fiscal year; five in March, eight during the third quarter and two during the fourth quarter.

MILITARY CONSTRUCTION APPROPRIATION

FY 87 Request: The appropriation requested for Fiscal Year 1987 is $86.7 million. The request will provide $74.3 million for Major Construction, $1.1 million for Unspecified Minor Construction and $11.3 million for planning and design work.

We are proposing the construction of 23 major projects in 15 states, one in Guam, and one major project in Puerto Rico. Specific projects are: nine new Reserve Centers, two storage facilities, one specialized training facility for intelligence personnel, two local training areas, a water system project in which we are participating with the National Guard Bureau and the expansion or alteration of ten existing centers. These were selected and ranked based on need, the mission of the unit, mobilization schedules, and the general contribution to the readiness of the Army Reserve. All of these projects are beyond the 35 percent design level. As a mater of fact, twenty-three of them are 65 percent designed or better, and we envision no difficulty in the award of all twenty five during FY 1987. In addition our request includes 15 specified miscellaneous projects costing less than $400,000.

The unspecified minor construction program will provide for emergent requirements not exceeding $400,000 in cost. The request for planning and design funds will provide for the design of projects in the backlog that are to be addressed in future appropriation requests.

CONCLUSION: Mr. Chairman, this concludes my statement. The committee's continuing interest and support in satisfying the construction requirements of the Army Reserve is greatly appreciated.

FORT DERUSSY, HAWAII

Mr. HEFNER. First of all, regarding Fort DeRussy, that is a bone of contention. In this case, if the transfer was made, are there facilities available or are you in agreement that you could go elsewhere without a lot of disruption? We were informed by some of the parties that you were in agreement that if that did take place, that you could handle the transfer without any problems. Are there other locations——

Colonel McMANAMAY. There are not other locations in existence to which we could move. There would be construction required for additional facilities or the procurement of additional facilities.

Mr. HEFNER. Well, could it be done? Thats what I'm getting at.

Colonel McMANAMAY. Yes, sir, it could be done, sir.

Mr. HEFNER. I am not making a commitment for this committee, I am just curious about it.

Colonel McMANAMAY. Yes, it could be done. We would have to acquire new land and build facilities.

FUNDING LEVEL

Mr. HEFNER. In the Fiscal Year '87 request for the Army Reserve, military construction is $25.3 million or 41 percent over last year's appropriated amount. With all of the restrictions that we have on the budget, how do you justify a large increase such as this?

Colonel McMANAMAY. Sir, the Army Reserve is looking at a backlog of construction, as I said, in excess of $1 billion. Most of our facilities were built in the early 1950's and we have grossly outgrown those, in terms of space required. We had very little equipment during that era, when we built those facilities and very few full time personnel working in them. So what we are faced with now, as indicated by General Temple, is assembly halls that are full of equipment. No place for the Reservists to drill, no space for people to work.

So we must expand those that are over 30 years old now and we see a requirement for a major construction effort to do that.

Mr. HEFNER. I have no other questions. Mr. Coleman, do you have any questions?

Mr. COLEMAN. No, Mr. Chairman.

Mr. HEFNER. Mr. Edwards.

Mr. EDWARDS. I am just curious how much of the backlog of construction you are attempting to address in this budget. I think that the Chairman's last question is very important. We have seen a lot of these facilities. We know how old they are and we know how crowded they are, but this is a year when we are looking for places to cut, not add. Are you attempting to make major dents in your backlog or is this a fairly small part of it?

Colonel McMANAMAY. Not at all, sir. Indeed, we are expanding ten existing centers, which is an economical way to do that without building a new one entirely. Where we do not need additional land we are simply expanding those centers. So we are not being extravagant.

We must store and maintain the equipment that is being received. And we do not want to turn it off, it is required for readiness and as you well know, the active component is constrained in the same fashion, being capped, we will need to pick up additional missions in that regard.

As I indicated earlier, we have increased our drill strength by almost 100,000 soldiers in the last seven years.

Mr. **Edwards**. What would be the impact on your drilling capability if we deferred this for another year?

Colonel **McManamay**. I would prefer to provide a detailed answer to that for the record, but generally what you are seeing is an inability to train Reservists at home stations effectively in a crowded and cramped facility, purely inefficient. We would also have to go out and lease facilities, which is not always the most economical way to do that, particularly in a density area, a major metropolitan area. You try to lease a facility large enough to do maintenance and store facilities for equipment, that is difficult to do.

Mr. **Edwards**. How are you coping with that problem? Are you dividing the units into smaller components, training more frequently, traveling further to go where they can drill? You know, what are you doing?

Or are you just skipping the drilling?

Colonel **McManamay**. No, sir. Indeed, we attempt to use all of our facilities at least three weekends a month. On a yearly basis we can plan to do that and rotate the units that are going to be in any given facility. We also reduced the number of offices or space that is required for a specific unit. We tried to build a center that provides common space. For example, all the clerical personnel may use a common area. One unit would be in there tonight, next weekend someone else would be using the same desk and the same facilities, to try to keep the cost of those facilities down.

We are working with Forces Command that commands the Army Reserve in the United States and we have developed a five year construction program which we are attempting to prioritize and build only those projects that have the greatest need in this time frame.

Mr. **Hefner**. Mr. Rudd

FORT DERUSSY, HAWAII

Mr. **Rudd**. Thank you, Mr. Chairman.

I understand that you got into Fort DeRussy

Mr. **Hefner**. No, we did not. I said, in the event, I am not anticipating anything, but in the event, he mentioned Fort DeRussy. In the event it remotely did take place, would they go someplace else to build it, because we were told in some hearings that they could do that. And I just wondered, for the record, about his answer to that. We did not discuss Fort DeRussy. I do not want to get the gentleman from Arizona alarmed unduly about Fort DeRussy.

Mr. **Rudd**. Well, I am already alarmed.

Mr. **Hefner**. But that was the extent.

Mr. **Rudd**. But the indication was that you could move it. Well, you could do anything if you had to, I suppose.

Colonel **McManamay**. Yes, sir. The reason Fort DeRussy came up, sir, it is the only project up through the Fiscal Year '85 that we have not currently awarded a contract on. The only project we have not awarded one.

Mr. RUDD. What was the contract for, just renovation?

Colonel McMANAMAY. Expansion and renovation of the existing center, yes, sir.

Mr. RUDD. Well, why have you not awarded it?

Colonel McMANAMAY. Sir, as long as there is contention relative to the retention of that part of Fort DeRussy on which that facility is located, we do not feel it is cost effective to expand a center that may be sold or destroyed in the near term.

Mr. RUDD. Well, to withhold what you should be doing is an indication to have something done about it, it seems to me. If you said that you could move it, of course you are talking about—whatever you are ordered to do, you are going to do?

Colonel McMANAMAY. Certainly, sir.

Mr. RUDD. And I hope that is what you are talking about.

Colonel McMANAMAY. That is correct. If that part of Fort DeRussy is——

Mr. RUDD. You do not have any plans or anticipate any desires to move Fort DeRussy?

Colonel McMANAMAY. We do not. We do not want to move our facility, but the question I was asked was could we go somewhere else and the answer is yes, we can always go somewhere else.

Mr. RUDD. You will do whatever you are ordered to do. If the people want you to move it somewhere else, that is what you have to do?

Colonel McMANAMAY. That is correct.

Mr. RUDD. I just wanted to clarify that.

Colonel McMANAMAY. We have no problem with that.

Mr. RUDD. I have no other questions.

Mr. COLEMAN. Would the gentleman yield?

Mr. RUDD. Yes.

Mr. HEFNER. Sure, I will yield.

OPERATIONS AND MAINTENANCE

Mr. COLEMAN. Let me change the subject, which I know the Chairman would like me to do.

I am interested in the discussion that you brought up. I understand the facilities and the jurisdiction of this committee. I am interested in, as a matter of Reserve equipment, things that you brought up in terms of needing facilities to do the kinds of operations and maintenance as well as training with that equipment.

Could you just give me an overview, from the House Armed Services Committee or from the Senate Armed Services Committee or some statement about the actual operation and maintenance part of the budget, in terms of the Reserve and Guard? Could you give me that from the Reserve standpoint? Could you tell me what is anticipated?

It is not SDI, it is not MX, it is not Trident 2, it is not those fancy things you talk about, but to me it has got to be the key in terms of the Reserves, to be able to have the proper operation and maintenance accounts and funding for that.

Colonel Rosamond. From an OSD point of view, I am not prepared to discuss the O&M accounts at this point in time. I think if you would like for us to try to address that question for the record, we would be willing to.

Mr. Coleman. I am sure the Appropriations Committee will be discussing those in full at some point. I was just curious. General?

General Temple. Yes. Let me deal with it in kind of an omnibus way, because I won't be able to provide specific numbers. Your question is a significant one, particularly with the combat elements which the National Guard principally represents. It is the ability to sustain the equipment, not only for training but in order to fight.

Given the antiquity in some cases of the equipment, it is essential that we have, for instance, such things as spare parts. As you say, they are pretty dull. Tanks do not run without them. Armored personnel carriers do not run without them. We have to maintain the levels close to the units so that if they are deployed, they have to take that level of spare parts with them to keep that equipment running.

The Army, in most cases, are storing those spare parts that are attendant to the more modern equipment, which you will find in the deployed areas, not totally but essentially.

What I am trying to say is we need it for operation on an almost day by day basis for the utilization of guards training. We must have spare parts in order to take a certain level with us to keep the equipment running on the battlefield. In many cases, it won't be in the country. We have to find ways to continue to provide spare parts to those pieces of equipment once they begin to be utilized at the operational level, which you will find in combat.

This goes across a broad spectrum, everything from tanks to aviation. We are not the most modernized force on the battlefield today. We are trying to get there.

Mr. Coleman. That is the reason for my question. That is what worries me a little bit—the older equipment—the Vulcan and other equipment that the Reservists have and are using. My concern is from the standpoint of just plain logistics and how we project the force.

General Temple. Yes; your concern is well taken.

Mr. Coleman. I wish I could get that addressed specifically by somebody in the OSD maybe that has to deal with that issue.

Colonel Rosamond. From the procurement point of view, I understand that O&M sustainability is equally as important. We can provide you some information for the record on that.

[The information follows:]

RESERVE FORCES

	FY 1985 Actual	FY 1986 Estimate	FY 1987 Estimate
	($ in Millions)		
Army Reserve	731.4	780.1	793.1
Army National Guard	1,431.9	1,682.8	1,786.9
Navy Reserve	809.6	912.6	975.9
Marine Corps Reserve	58.7	58.2	65.3
Air Force Reserve	877.8	902.7	975.6
Air National Guard	1,824.6	1,813.2	1,932.7
Total	5,734.0	6,149.6	6,529.5

Provides support for Reserve forces training operations, including flying and steaming hours, maintenance of equipment and facilities, other logistical support, and medical, recruiting and management support. Costs incurred include pay of civilian technicians, rents, utilities, fuel, travel, communications, transportation, supplies, noncentrally managed equipment and contractor support.

Program Data

	FY 1985	FY 1986	FY 1987
Aircraft Inventory (End FY)	5,766	5,831	6,100
Ship Inventory (End FY)	34	40	44
Flying Hours (000)	1,203	1,183	1,293
Steaming Hours	36,122	33,233	58,285
Selected Reserve End Strength	1,088,062	1,134,577	1,186,200
Civilian Personnel End Strength	81,019	81,585	81,643

In FY 1987, the Reserve forces continue to improve in readiness, capability, and increased manning. Selected Reserve end strength is projected by increase by 4.6% between FY 1986 and FY 1987. Coupled with this growth in strength is an increase in Reserve force training. As a result, flying hours have increased by 9.3%. The Reserve force aircraft inventory has also grown. Army Reserve Forces will receive sixty additional AH-1 COBRA and 79 additional UH-60 BLACKHAWK helicopters in FY 1987. The Air Reserve Force aircraft inventory is projected to increase by fifty-one aircraft. Among these are eight C-5, twelve C-141, thirty F-15 and sixty

F-16 aircraft. In addition, the Navy Reserve is retiring older F-4S and A-7B aircraft and replacing them with newer F-14 and F/A-18 aircraft.

With the advent of more modern capable ships with complex combat systems, the need to keep the crew practiced in at-sea exercises is mandatory to achieve reserve combat readiness. Three FFG-7 class frigates, one FF-1052 class frigate, and one MCM-1 class ship will be added to the reserve ship inventory in FY 1987 while one MSO strike ship will be transferred to the inactive reserve. The tempo of operations of reserve ships will increase in FY 1987 from 15 underway days per quarter to 21 days to provide more operational training for Reserve ship crews. Ship steaming hours will increase by over 25,000 hours (75%) to accommodate the higher operating tempo and larger ship inventory.

Funding for organizational clothing and equipment (OCE) will continue to increase in FY 1987 to meet the needs of the growing Selected Reserve and to provide for the introduction of force modernization initiatives such as improved battle dress overgarments and chemical defensive uniforms. OCE backlogs in the Army Reserve and Army Guard will decline in FY 1987 and the Air National Guard's OCE backlog will be substantially reduced by the end of that year. Introduction of newer, more modern equipment such as M60A3 tanks and M113 APCs to the Reserves has also resulted in increased requirements for repair parts and force modernization support. Funding for these areas will continue to increase in FY 1987 to keep pace with the growing reserve equipment inventory.

Paid drill strength and full-time manning is increasing in all components. This manning will enhance Reserve forces training, maintenance, administration, and recruiting.

ARMY RESERVE

($ in Millions)

FY 1985 Actual	Price Growth	Program Growth	FY 1986 Estimate	Price Growth	Program Growth	FY 1987 Estimate
731.4	-14.5	+63.2	780.1	+37.7	-24.7	793.1

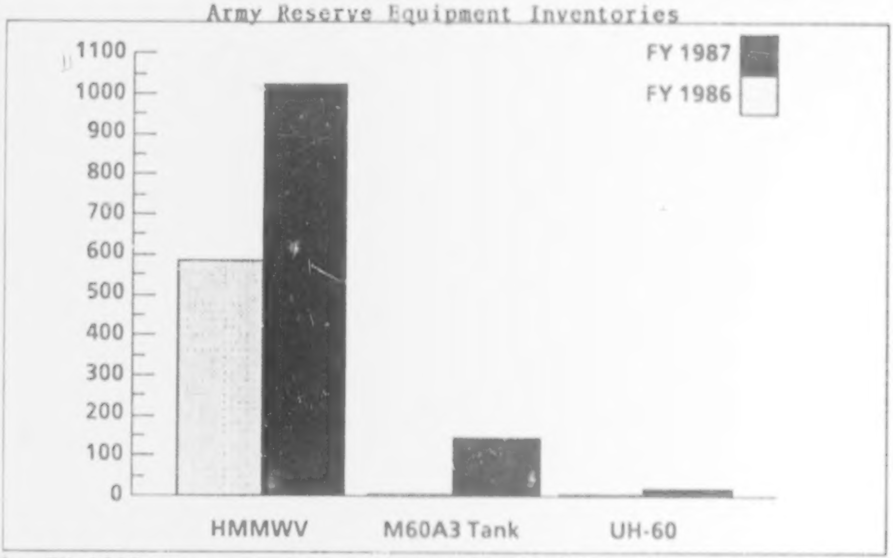
The Operation and Maintenance, Army Reserve (OMAR) appropriation finances all costs of operating and maintaining the U.S. Army Reserve. It provides for reserve unit exercises and training to improve readiness including the costs to purchase, maintain, and repair organizational clothing and equipment, the cost of aircraft maintenance and flying hour support, and the operational support costs of Army Reserve personnel. Also, the appropriation provides the functional support for administration, communications, recruiting, and base operations of Army Reserve units. In FY 1987 the Army Reserve program continues to expand with planned increases in Selected Reservists of 16,950 (1,500 full-time reservists), 62 aircraft, and 15,261 flying hours.

The net reduction in program growth shown above includes real program growth of $70.9 million in FY 1987. Real growth is offset by a transfer of $73.9 million to the Operation and Maintenance, Army appropriation resulting from a shift in responsibility for semi-active installations under the Department's Model Installation Plan. In addition, reevaluation of Army automation requirements has resulted in cancellation of the Continental Army Management Information System program, thereby reducing the FY 1987 program by $16.8 million. The FY 1987 program also reflects a reduction of $4.9 million due to one-time costs associated with anti-terrorism initiatives and over-40 medical screening in FY 1986.

In order to provide the necessary office furniture, supplies, and training required to support the growing reserve force in FY 1987, $16.5 million has been added to the OMAR appropriation. Another $2.7 million has been added in FY 1987 to support growth in the flying hour program. The Army Reserve has also increased FY 1987 funding for organizational clothing and equipment by $12.4 million to provide equipment for a planned increase in drill strength of approximately 14,051 reservists and to reduce an existing backlog.

Operation and Maintenance financing is required to provide initial support when new equipment is delivered to the Reserves and to continue support for this equipment in subsequent years. Army Reserve fielding and sustainment costs are projected to increase by $6.0 million in FY 1987, supporting programed delivery of 140 M60A3 battle tanks, 443 high mobility multi-purpose wheeled vehicles (HMMWV), and 18 UH-60 BLACKHAWK helicopters. This equipment will significantly increase the reserve inventory as shown by the following graph.

Army Reserve Equipment Inventories



The FY 1987 program also includes $5.8 million for activation or reorganization of reserve units to meet the changing mission of the reserve forces within the total Army force structure. For example in FY 1987, reserve aviation units are being restructured into combat aviation brigades, formulating three C-47 and medium helicopter companies as well as attack helicopter units. In addition, ten equipment maintenance companies, three chemical reconnaissance companies, and seven combat electronic warfare and intelligence battalions will be formed.

A shrinking market caused primarily by the strong improvement in the economy has adversely impacted Army Reserve accession capabilities. Although the total Army Reserve accession plan was met in FY 1985, reserve recruiters were only able to achieve 90.6% of the nonprior service target and the FY 1987 request includes growth of $7.4 million for recruiting and advertising support. To enhance retention, the Army Reserve has also budgeted $4.5 million to improve the educational and training opportunities available to the active guard and reserve (AGR) force.

ARMY RESERVE

The FY 1987 program includes an increase of $13.2 million for real property maintenance activities. This additional funding should permit a 20% reduction in the backlog of maintenance and repair by the end of FY 1987. The remaining $2.4 million growth in FY 1987 is for depot maintenance, the civilian substitution program, and the shelter for homeless program.

NAVY RESERVE

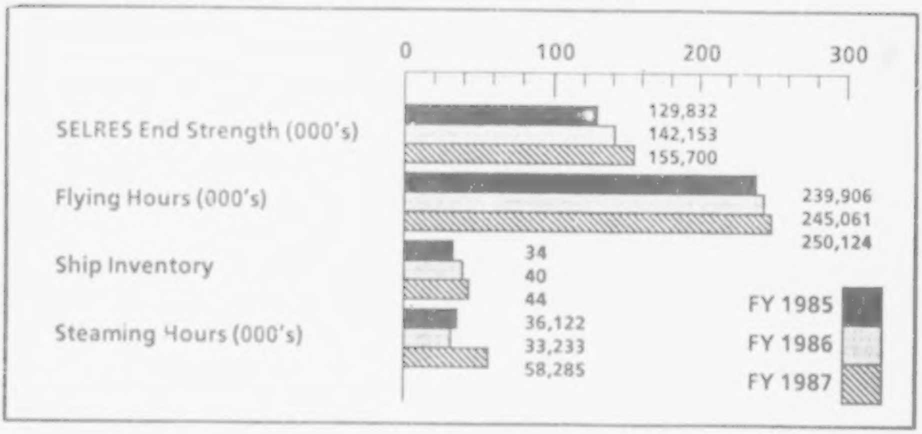
($ in Millions)

FY 1985 Actual	Price Growth	Program Growth	FY 1986 Estimate	Price Growth	Program Growth	FY 1987 Estimate
809.6	-78.7	+ 181.7	+ 912.6	+ 45.9	+ 17.4	975.9

The Operation and Maintenance, Navy Reserve (O&M,NR) appropriation provides for the cost of operating Naval Reserve forces and maintaining their assigned equipment at a state of readiness which will permit rapid deployment in the event of full or partial mobilization. These forces, primarily composed of ships, aircraft, and the personnel to man them, are a vital part of the Navy's total force. The FY 1987 request provides for support of 592 Navy aircraft and 44 ships. Operation and Maintenance costs for the Fourth Marine Air Wing are also funded under this appropriation.

During FY 1987 the Navy will continue to improve the combat readiness of Naval Reserve Forces. A measure of this improved readiness is shown in the chart below:

Naval Reserve Readiness Indicators



The budget request includes a transfer of $17.7 million in FY 1986 for conventional force readiness. This increase, made available from prior year unobligated balances, will fund ship maintenance requirements for two MSO's which must be extended due to delays in the MCM production schedule and for one LST requiring maintenance in FY 1986.

NAVY RESERVE

Real program growth between FY 1986 and FY 1987 totals only $6.1 million. However, the FY 1987 program has been augmented by transfers of $11.3 million previously funded in O&M, Navy for overhaul and modernization of reserve ship equipment and Naval Reserve Force engineering services support. Program growth of $42.3 million is offset by decreases of $36.2 million, primarily for ship maintenance and modernization and one-time FY 1986 costs.

The flying hour program includes program growth of $21.6 million (5,063 hours) between FY 1986 and FY 1987. Although there is a small decrease in the number of aircraft in the Reserve inventory in FY 1987, there is a significant improvement in the type and condition of aircraft available for reserve use. Twelve F-18 aircraft will be added to the reserve inventory in FY 1987 while eighteen existing A-7B aircraft will be replaced by A-7E aircraft and eight additional A-7E aircraft will become available for reserve use. In FY 1986 the Navy Reserve will fund the startup of a Marine Reserve supersonic adversary aircraft training program. Flying hours for this program will increase significantly in FY 1987. Further, due to the larger quantity of F-14 modifications programed for installation in FY 1987, the aircraft rework program will also increase by $2.9 million.

Three FFG-7 class frigates, one FF-1052 class frigate, and one MCM-1 class ship will be added to the reserve ship inventory in FY 1987 while one MSO strike ship will be transferred to the inactive reserve. With the advent of more modern, capable ships with complex combat systems, the need to give crews practice in at-sea exercises is mandatory to achieve reserve combat readiness. The tempo of operations of reserve ships will increase in FY 1987 from 14.7 underway days per quarter to 21 days to provide more operational training for Reserve ship crews. Ship steaming hours will increase by over 25,000 hours to accommodate the higher operating tempo and larger ship inventory. To support these initiatives, the FY 1987 program for ship operations includes growth of $15.8 million. Expansion of the craft of opportunity program and patrol boat operations account for the remaining $2.0 million program growth.

The Naval Reserve ship maintenance program decreases by $30.7 million in FY 1987 which is due to one-time FY 1986 requirements for the MSO and LST requirements discussed above. Also, revised ship maintenance cycles should require fewer overhauls and phased maintenance availabilities in FY 1987. Funding for reserve service support forces also decreases by $2.9 million, primarily because purchase of equipment for the Reserve Naval Mobile Construction Battalion was completed in FY 1986. One-time costs for overhaul of sonar equipment and guns in FY 1986 also result in a decrease of $2.6 million in FY 1987.

MARINE CORPS RESERVE

($ in Millions)

FY 1985 Actual	Price Growth	Program Growth	FY 1986 Estimate	Price Growth	Program Growth	FY 1987 Estimate
58.7	-5.4	+4.9	58.2	+9.0	-1.9	65.3

The Operation and Maintenance, Marine Corps Reserve appropriation supports the day-to-day costs of operating the Marine Corps Reserve forces, functions, and facilities to include the fourth Marine Division, the Fourth Marine Aircraft Wing, a Force Service Support Group, and the Marine Corps Reserve Support Center. The FY 1987 request supports a Selected Reserve end strength of 44,400, an increase of 1,381 reservists over the FY 1986 level.

Although there is a net reduction of $1.9 million in program growth between FY 1986 and FY 1987, the FY 1987 program includes real program growth of $3.1 million. Of this, $1.1 million provides support for three light armored vehicle (LAV) companies and four TOW platoons activated in FY 1987. The FY 1987 request also includes growth of $.6 million for initial issue of camouflage clothing and for organization equipment and ancillary supplies for an increase of 307 full-time support personnel. Other growth of $1.4 million is for real property maintenance activities, recruiter support, weekend training support, and annualization of FY 1986 civilian strength increases.

The FY 1987 program also increases by $1.9 million due to the transfer of 81 civilian end strength at the Marine Corps Finance Center (Kansas City, Missouri) from the active O&M Marine Corps account and for transfer of base operating support formerly funded by the Navy Reserve for the Marine Corps Air Station, El Toro, California.

The program increases in FY 1987 are offset by one-time costs of $6.3 million for the purchase of lightweight body armor and kevlar helmets and by reductions in the purchase of improved chemical protective suits and other organizational clothing and equipment. The FY 1986 program includes a transfer of $1.0 million for start-up costs and other support related to the initiation of a reserve adversary aircraft training program at the Marine Corps Air Station, Yuma, Arizona. There is an additional program decrease of $.6 million in FY 1987 for these one-time costs.

AIR FORCE RESERVE

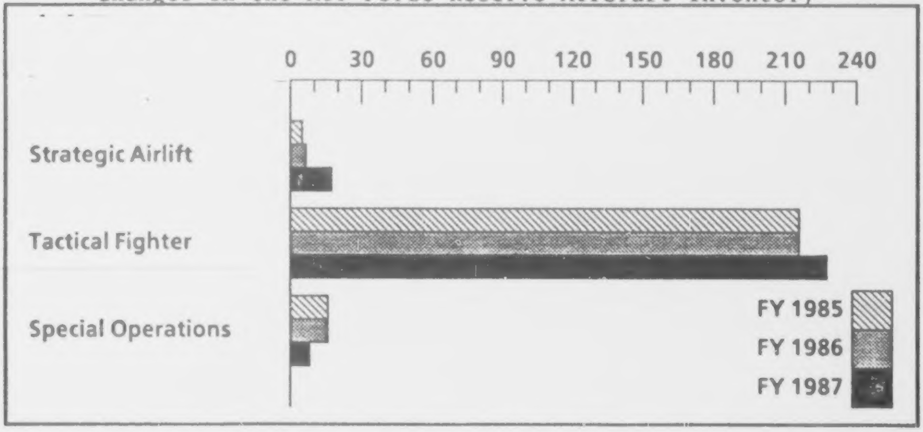
($ in Millions)

FY 1985 Actual	Price Growth	Program Growth	FY 1986 Estimate	Price Growth	Program Growth	FY 1987 Estimate
877.8	+ 16.5	+ 8.4	902.7	+ 12.2	+ 60.7	975.6

The Operation and Maintenance, Air Force Reserve (OMAFR) appropriation funds the maintenance and training of reserve units to ensure their readiness for immediate mobilization. The appropriation also provides funding for administrative support through the Air Reserve Personnel Center. Six mission support units, including four civil engineer units, one contingency hospital and one aerial port unit, will be added to the Air Force Reserve in FY 1987, increasing the total number of mission support units to 178. OMAFR will also continue to support 57 flying units and 11 installations. In FY 1987 Selected Reserve end strength is anticipated to increase by 3,100 for a total of 80,500 reservists.

Of the total $60.7 million program growth reflected above, $36.4 million is for aircraft operations. As the following chart indicates, the reserve mission is continuing to change with the introduction of new and more sophisticated aircraft.

Changes in the Air Force Reserve Aircraft Inventory



In FY 1987 the Air Force will continue to expand the reserve strategic airlift mission with the transfer of five C-5 aircraft and six C-141 aircraft from the active force and the addition of

2,820 reserve flying hours for these aircraft. Ten KC-10 aircraft will be added to the associate program, bringing the number of KC-10 aircraft in the associate program to 57 and increasing reserve flying hours by 2,979. Air Force Reserve tactical forces are being modernized. Twelve additional F-16 aircraft will enter the reserve aircraft inventory in FY 1987 and an H-3E flying unit will be converted to an F-16 unit in the 4th quarter of FY 1987. As a result of the latter, the Air Force Reserve inventory of Special Operations aircraft will decrease by seven between FY 1986 and FY 1987.

To support the C-141 and C-5A aircraft programs mentioned above as well as increased C-130 operations and increased structural repairs on F-4 and F-16 aircraft, the FY 1987 program includes an increase of $19.5 million for depot level maintenance. Additionally, $1.1 million has been included in FY 1987 to improve aircraft security at Air Force Reserve bases, $2.1 million has been added to support new mission support units added in FY 1987, and $.8 million has been added for increased real property maintenance requirements. Other growth totals $.8 million.

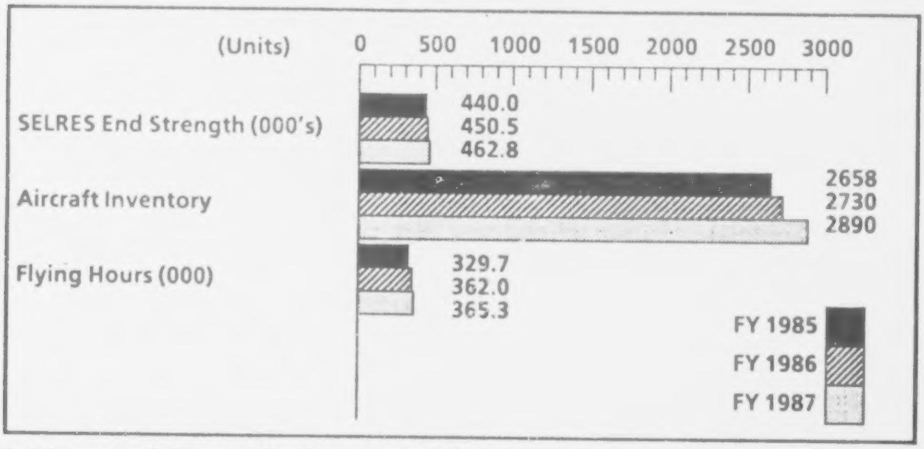
ARMY NATIONAL GUARD

($ in Millions)

FY 1985 Actual	Price Growth	Program Growth	FY 1986 Estimate	Price Growth	Program Growth	FY 1987 Estimate
1,431.9	-26.7	+ 277.6	1,682.8	+ 47.8	+ 56.3	1,786.9

The Operation and Maintenance, Army National Guard (O&M,ARNG) appropriation funds operational, logistical, and administrative support for Army National Guard forces. Costs incurred in providing this support include civilian technician pay, supplies, fuel, equipment and facility maintenance, travel, and base operating support. The Army National Guard will continue in FY 1987 to improve force readiness by increasing combat unit manning, activating new combat units, and modernizing equipment and organizations. In all, ten divisions, 18 separate brigades, and 152 maneuver battalions will be supported in FY 1987.

The FY 1987 O&M,ARNG budget request reflects growth in aircraft inventories, flying hours, and selected reserve end strength as shown in the chart below. The FY 1987 request includes net program growth of $56.3 million.



Delivery of five UH-60 BLACKHAWK helicopters and 73 AH-1 attack helicopters originally planned in FY 1986 is now anticipated to slip until FY 1987, and the FY 1986 flying hour program has been reduced by 7,758 hours and $6.4 million to reflect this delay. In FY 1987 anticipated delivery of nineteen UH-60 BLACKHAWK helicopters and 109 AH-1 attack helicopters, including the FY 1986 deferrals, will increase the flying hour program by

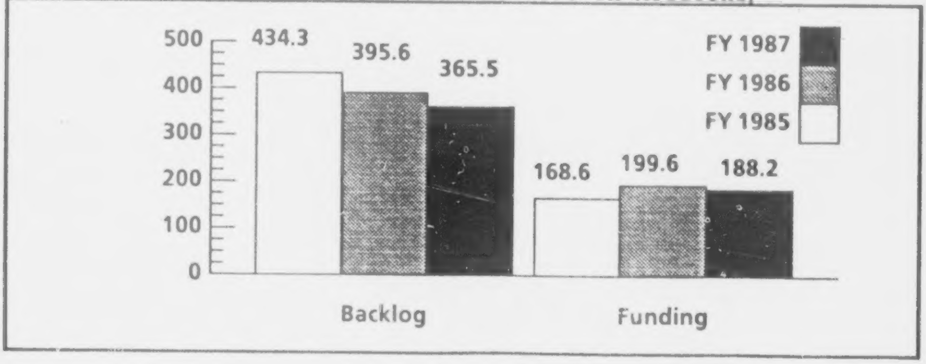
3,293 hours. However, because of the introduction of newer, more cost effective aircraft, the Guard flying hour program will decrease by $2.7 million in FY 1987.

Paid drill strength is projected to increase by 7,314 between FY 1986 and FY 1987 and full-time support is anticipated to grow by 4,990. The Army National Guard's capability to attain budgeted end strength is contingent upon the effectiveness of recruiting and advertising programs. In FY 1985 the Guard did not meet its recruiting goals, achieving only 80.4% of its non-prior service accession target. The FY 1987 program includes growth of $2.7 million to expand advertising to include the junior college and vocational school market. To cover the cost of medical support for the increased strength, $1.8 million has been added to the FY 1987 program. The higher strength in FY 1987 has also increased Guard requirements for inactive duty travel for which program growth of $1.6 million has been included.

Army National Guard civilian personnel compensation requirements are budgeted to increase by $41.4 million in FY 1987 for the full year costs associated with congressional addition of 1,230 civilian technicians to the FY 1986 program and for 500 civilian technicians added in FY 1987.

Although program growth for organizational clothing and equipment has been reduced by $11.4 million between FY 1986 and FY 1987, the organizational clothing and equipment backlog will continue to decline, primarily from eliminating obsolete equipment from the backlog. The following chart illustrates the progress made in reducing the backlog.

Organizational Clothing and Equipment
(FY 1985 Constant Year Dollars in Millions)



ARMY NATIONAL GUARD

The Army National Guard is making a concerted effort to upgrade the educational level of Guardsmen particularly related to changes in technology and management practices. In FY 1987 the Army will continue the Army Continuing Education System (ACES) which provides a wide range of educational opportunities including the Basic Skills Education Program, the High School Completion Program, and the Advanced Skills Education Program as well as college preparatory courses and courses leading to higher degrees. The FY 1987 program includes $3.9 million program growth for ACES.

Finally, program growth of $20.8 million has been included in FY 1987 for the Standard Army Multi-Command Management Information System (STAMMIS), Standard Installation/Division Personnel System (SIDPERS), and other automated data processing support costs.

AIR NATIONAL GUARD

($ in Millions)

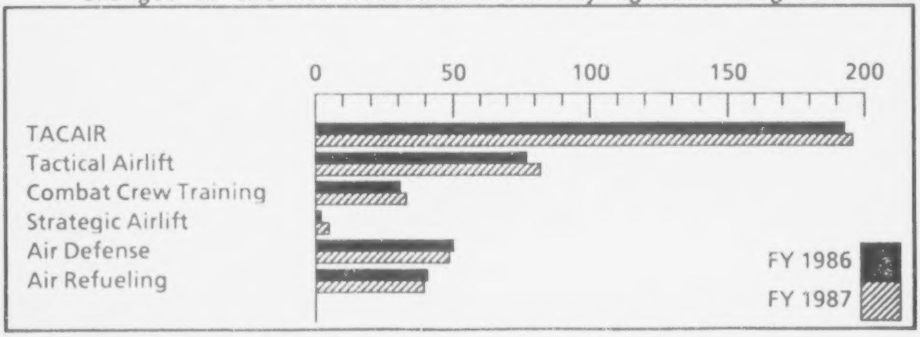
FY 1985 Actual	Price Growth	Program Growth	FY 1986 Estimate	Price Growth	Program Growth	FY 1987 Estimate
1,824.6	-33.8	+ 22.4	1,813.2	+ 14.1	+ 105.4	1,932.7

The Operation and Maintenance, Air National Guard appropriation funds operational, logistical, and administrative support for Air National Guard Forces. The funds requested support the cost incurred for civilian technician pay, supplies, aviation and ground fuels, equipment and facility maintenance, travel, and base operating support. The FY 1987 request supports growth in Air National Guard aircraft, flying hours, and training days. Selected Reserve end strength will increase by 4,341 in FY 1987 for a total reserve strength of 115,200 and civilian technician strength will increase from 22,792 to 23,082.

The FY 1986 program includes a transfer of $7.0 million from prior unobligated balances for the installation of telephone switches at Air National Guard bases and the installation of low altitude night attack modifications on A-7 aircraft. As indicated above, the FY 1987 program includes program growth of $105.4 million which includes a transfer of $3.0 million from the active Air Force for support of the Hawaii Regional Operations Control Center.

The Air National Guard flying hour program is programed to increase by 8,706 hours and $18.6 million between FY 1986 and FY 1987 for a total program of 443,372 hours. Most of the growth lies in the areas of tactical air training, combat crew training (CCT) and continuation training for strategic and tactical airlift crews as shown in the chart below:

Changes in the Air National Guard Flying Hour Program



AIR NATIONAL GUARD

Tactical air flying hours will increase by 2,660 hours due to the annualization of requirements for 18 F-15A/B aircraft added to the inventory in FY 1986 and the anticipated delivery of 30 F-15A/B aircraft to the Guard in FY 1987. Annualization of requirements for 42 F-16A/B aircraft delivered in FY 1986 has caused FY 1987 combat crew training hours to increase by 2,023 in FY 1987, while delivery of six C-141B and two C-5A aircraft cause strategic airlift training to grow by 2,352 hours. In addition, the anticipated delivery of twelve C-130E/H aircraft in FY 1987 will result in an increase of 4,562 flying hours.

These increases are partially offset by decreases in air defense and air refueling flying hours. The transition from F-4C aircraft to the newer F-4D aircraft and the replacement of the F-106A/B aircraft with F-16A/B aircraft result in a reduction of 1,573 in air defense flying hours, while the reduction of four KC-135E aircraft due to transition to the C-130 causes a decrease of 969 air refueling hours. There is also a reduction of 349 support airlift hours due to transition from C-131 aircraft to C-12J and C-130A aircraft.

Although airframe depot maintenance will decrease by $4.8 million due to the introduction of newer aircraft, increased requirements for engine and communications equipment overhauls require a net increase of $23.4 million for depot maintenance in FY 1987. This will result in a zero backlog at yearend. The FY 1987 program also includes growth of $15.1 million to further reduce the existing backlog in organizational clothing and equipment (OCE). By the end of FY 1987, the Guard's OCE backlog will total only $1.2 million.

Completion of military construction projects at 24 Air National Guard bases will increase requirements for Federal/State Operation and Maintenance Agreements. The FY 1987 program includes growth of $19.4 million to support these agreements.

In addition, the FY 1987 program includes $18.4 million for growth in information systems due to purchase of data automation equipment to support the Core Automated Maintenance System, replacement of a punch card accounting system, and support of the Air National Guard link with the active Air Force Phase IV computer system. The remaining growth of $7.5 million supports the higher end strength anticipated in FY 1987 and includes contractor services to provide simulator training, increased civilian technician workyears, and travel and materiel to support an increase in military workyears.

Mr. **Coleman**. I would appreciate that. I think it goes to the issue that this Committee is going to consider, that the ranking member, Mr. Edwards, a minute ago talked about delay. I question that in terms of the overall issue. I would hope we can relay them all together and show the damage they might do to the overall projection.

General **Temple**. Applying the same logic to the Military Construction Subcommittee and the kinds of things that the United States Army Reserve has been talking about and that we talked about earlier, the Armories are being filled with equipment. Much of that equipment is protective gear, chemical warfare gear. A variety of those kinds of equipment which are essential for soldiers, that they are going to have to carry on their back or have very close to them in order to survive on the battlefield.

With that equipment comes a certain degree of maintenance and care and safeguarding to include weapons, as a matter of fact. That is why the construction projects which we put before you become essential to us, because it makes that equipment available to the soldier to permit him to go to the battlefield more quickly than he has in the past and give him the responsibility to care for it and a place to care for it, and secondly, so that he might survive on the battlefield.

Mr. **Coleman**. Just like I said, I hope you maybe can provide some overview of that. I understand it in general terms but I can't help but think we are all in this together in terms of operation, maintenance and construction and the rest of it.

Thank you very much.

Mr. **Hefner**. Mr. Lowery.

Mr. **Lowery**. No questions, Mr. Chairman.

Mr. **Coleman**. Mr. Chairman, I want to move that the Military Construction Subcommittee hearing today and the five subsequent hearings if required be closed if necessary at the Chairman's discretion because of the classified nature of the discussions.

Mr. **Hefner**. We will call the roll.

Mr. **Murray**. Mr. Hefner.

Mr. **Hefner**. Aye.

Mr. **Murray**. Mr. Coleman.

Mr. **Coleman**. Aye.

Mr. **Murray**. Mr. Edwards.

Mr. **Edwards**. Aye.

Mr. **Murray**. Mr. Rudd.

Mr. **Rudd**. Aye.

Mr. **Murray**. Mr. Lowery.

Mr. **Lowery**. Aye.

INCREASED FUNDING LEVEL

Mr. **Hefner**. Colonel McManamay did you have a comment?

Colonel **McManamay**. Yes, sir. I want to offer an additional statement for Mr. Edwards on the increased costs of this year's appropriation. You will notice a number of things in there and I can't quantify what this does for us, but the local training areas and the training facilities are to reduce the travel of the Reservists to get to a place to train. Those do indeed drive up the current appropriation, but in the long haul, those will be more economical. I can't quantify that for you.

Colonel ROSAMOND. May I make one other comment?

Mr. HEFNER. As long as it is not Fort DeRussy.

Colonel ROSAMOND. Mr. Chairman, I will not discuss Fort DeRussy. I have been down that road before.

Mr. EDWARDS. I don't feel qualified to discuss Fort DeRussy. I think I need to go back and look at it again.

Colonel ROSAMOND. In my opening comments, we are estimating our backlog to be about $4 billion. That's part of what Colonel McManamay is talking about. We have initiated a program to systematically assess this, prioritize it, and reduce it. It is all tied together. It is not just a one shot thing, rather the programmed funding ramps are up.

Mr. HEFNER. Thank you, gentlemen. We will now hear from the Naval and Marine Corps Reserve on their request of $44.5 million for fiscal year 1987. Admiral Kempf, If you could summarize your statement and proceed in any way you see fit.

STATEMENT OF VICE ADMIRAL CECIL JOSEPH KEMPF, U.S. NAVY, DIRECTOR NAVAL RESERVE

Admiral KEMPF. Thank you, Mr. Chairman and members of the Committee. It is my pleasure to appear before you to present the fiscal year 1987 Military Construction Naval Reserve budget request. The Navy has been designated by the Department of Defense as sponsor of this appropriation, which funds all Naval and Marine Corps Reserve construction requirements.

The Naval and Marine Corps Reserve continues to grow in strength, capability and ability to play a greater role in the total Force. With congressional support, the Naval Reserve will have grown by 25 percent in a four year period and will number over 127,000 drilling Reservists by the end of FY-87. The Marine Corps Reserve has also shown growth and are projecting over 44,000 Reservists by the end of FY-87, a growth of 6.7 percent over a two year period.

With the increased number of Reservists, the acquisition of new equipment and the expansion of Naval and Marine Corp Reserve missions, increasing demands are being made on existing facilities, and new facility requirements are being generated. The Military Construction, Naval Reserve program is structured to meet the demands of new equipment and missions while also upgrading and replacing the aging infrastructure of our Naval Air Stations and Reserve Centers. Over one-third of our existing plant account, which totals almost $2.5, billion consists of temporary or semi-permanent structures, dating from the 1940's, which have exceeded their serviceable economic lifetime.

Despite a selected reduction in the number of Reserve facilities from over 400 in 1973 to 273 in 1986, the construction backlog has grown from $251 million in FY-81 to a projected $732 million in FY-87. This equates to almost 30 percent of the current plant value of Naval Reserve facilities. Although we are making maximum use of our existing facilities, their deteriorating condition dictates that we start replacing our obsolete infrastructure in order to provide adequate operational, maintenance, training, administrative and personnel support facilities to properly train our Reserve personnel for mobilization.

Of the eleven major construction projects requested this year, seven are for new construction, supporting expanded missions or replacing existing obsolete facilities. The remaining four projects will provide additions, improvements or alterations to satisfy increasing demands on existing facilities.

Mr. Chairman, that concludes my overview statement. I would be happy to answer any questions you may have.

[The prepared statement of Vice Admiral Cecil J. Kempf follows:]

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
APPROPRIATIONS COMMITTEE

STATEMENT OF
VICE ADMIRAL CECIL JOSEPH KEMPF, U.S. NAVY
DIRECTOR NAVAL RESERVE
BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION
OF THE
HOUSE APPROPRIATIONS COMMITTEE
MILITARY CONSTRUCTION, NAVAL RESERVE
FOR FISCAL YEAR 1987
20 FEBRUARY 1986

VICE ADMIRAL CECIL JOSEPH KEMPF, U. S. NAVY

Vice Admiral Cecil J. Kempf, USN is the son of the late Mr. and Mrs. John J. Kempf of Kilgore, Texas. He was born on 20 November 1927.

Vice Admiral Kempf began his naval career in May 1946 as a Naval Aviation Cadet (V-5 Program). That same year he received an appointment to the U.S. Naval Academy. He was graduated "with distinction" and commissioned an ensign in the U.S. Navy in June 1950.

Upon being designated a naval aviator in November 1951, Vice Admiral Kempf served with several aircraft squadrons for the first 20 years of his career. His significant sea tours include Commanding Officer of Air Antisubmarine Squadron 31, Commander Carrier Antisubmarine Air Group 60, Commanding Officer of USS DUBUQUE (LPD 8), and Commanding Officer of USS TRIPOLI (LPH 10).

Vice Admiral Kempf holds a Master of Science degree in Aeronautical Engineering from Massachusetts Institute of Technology. Several of his shore tours have been involved with research and development, including development of the Navy's S-3A carrier-based antisubmarine aircraft. He served as S-3A Deputy Project Manager in the Naval Air Systems Command and later as S-3A Program Coordinator for the Chief of Naval Operations.

Vice Admiral Kempf was promoted to flag officer and assumed duties as Commander, Antisubmarine Warfare Wing, U.S. Pacific Fleet in March 1976. In September 1978 he reported to the Deputy Chief of Naval Operations (Air Warfare) as Director, Aviation Programs Division. In June 1979 he became the Vice Commander of Naval Air Systems Command, and in July 1981 he assumed duties as Assistant Deputy Chief of Naval Operations (Air Warfare). On 2 December 1983 Vice Admiral Kempf became Commander, Naval Reserve Force and Chief of Naval Reserve, with additional duty as Director of Naval Reserve in the Office of the Chief of Naval Operations. He was promoted to Vice Admiral in this job on 22 November 1985.

Among his service awards and military decorations, Vice Admiral Kempf wears the Legion of Merit. He is married to the former Theodosia Ann Suman of Lanham, Maryland. They reside at 88 Westover Avenue, Bolling Air Force base in Washington, D.C. They have three grown children.

Mr. Chairman and Members of the Committee

It is my pleasure to appear before this committee to present the Fiscal Year 1987 Military Construction, Naval Reserve budget request. The Navy has been designated by the Department of Defense as sponsor of this appropriation which funds: Naval Reserve, Marine Corps Reserve, and joint Naval and Marine Corps Reserve construction requirements.

The Naval and Marine Corps Reserve continues to grow in strength and ability to play a greater role in the Total Force. With Congressional support, the Naval Reserve achieved an end strength of 110,989 drilling Reservists in FY 85, a growth of almost 8,500 over the prior year. During fiscal year 1986, we are projecting a further increase to 118,209; and by the end of FY 87, we anticipate attaining 127,328 drilling Naval Reservists. By then, the Naval Reserve will have grown by 25% over a four-year period.

Historically, the Naval Reserve has depended on returning veterans to fill its ranks. However, we can no longer meet our requirements from that source. The new Sea and Air Mariner, or SAM, program has been successful in providing non-prior service junior enlisted personnel for the Navy's Selected Reserve. We recruited our full quota of 10,000 SAMs for the past two fiscal years and have the same goal this year.

The Marine Corps Reserve has also shown significant growth in the early 1980's. The Selected Marine Corps Reserve is organized into the 4th Marine Division, the 4th Marine Aircraft Wing and the 4th Force Service Support Group. These Reserve units comprise about one-quarter of the structure, i.e., 40% of the tanks, 33% of the heavy artillery, 30% of the light attack aviation, and 14% of the helicopters of the total Marine force. The end strength of the Selected Marine Corps Reserve was 41,586 for FY-85 and is projected to be 44,400 for FY 87, a growth of 6.7% over a two- year period.

With the increased number of Reservists, the acquisition of new equipment, and the expansion of the Naval and Marine Corps Reserve missions, increasing demands are being made on existing facilities, and new facility requirements are being generated. Our mission is to provide, upon mobilization, "trained vice trainable" Selected Reservists. Unlike the regular Navy, which can concentrate its people, facilities, and training activities in homeports, the Naval Surface Reserve must take most of its training to its people at 234 Naval Reserve Centers across the nation.

To properly train and support Reserve personnel for mobilization, the Naval and Marine Corps Reserve has a substantial investment in facilities. Despite a selected reduction in the number of Reserve facilities from over 400 in 1973 to 273 in 1986, the construction backlog has grown from $251 million in FY 81 to a projected $732 million in FY 87. This equates to almost 30% of the Current Plant Value (CPV) of Naval Reserve facilities, a total of almost $2.5 billion.

As addressed to Congress in previous years, most of our facilities were constructed in the 1940's and early 50's. Four of our six Naval Air Stations (NAS) are World War II air stations designed and constructed for "duration of the war" only. These facilities are undergoing block obsolescence, and many of them are rapidly deteriorating. A significant number of Surface Reserve centers are wooden frame or pre-engineered structures dating from the 1940's. Many are Quonset hut or semi-permanent construction and do not permit the installation of modern, sophisticated training equipment. These old facilities consume valuable O&MNR resources on maintenance, breakdown repair, and excessive utility consumption. Currently, 99 of the 234 Reserve centers and facilities, or 42%, are considered substandard and in need of replacement or alteration. The lack of adequate facilities impacts adversely on the pride and performance of Reserve units. Substandard facilities preclude optimum training, inhibit retention efforts, and eventually impact mobilization readiness. We must remember that Reservists are volunteers; they do not depend on the Navy for their livelihood, and most can leave the Selected Reserve at any time.

The greatest challenge in the Naval Reserve over the next five years will be implementing the training strategy for the Surface Reserve which will grow from 83,000 to 104,000. The Readiness Center concept is the training strategy designed to accommodate this growth without an increase in number of facilities. Under this new concept the training capability will be upgraded at selected larger centers which will be designated

Readiness Centers. This will provide intermediate level training between local Reserve center training and that available at gaining commands and fleet facilities. Establishing Readiness Centers by expanding training facilities at selected locations is the key to accommodating the growth of the Surface Reserve without constructing numerous additional buildings. We are making every effort to make maximum use of existing facilities; but recognizing our tremendous backlog, their deteriorating condition dictates that we start replacing obsolete facilities in order to provide adequate operational, maintenance, training, administrative, and personnel support facilities to properly train our Reserve personnel for mobilization.

The Naval Air Reserve is an integral part of Naval Aviation. One-third of our Anti-Submarine Warfare Patrol aircraft (VP) squadrons are in the Reserve Force, and they operate side by side with active force squadrons. The viability and readiness of our two Carrier Air Wings have been greatly enhanced by rapid aircraft modernization. Carrier Air Wing Thirty recently demonstrated its high level of readiness during a two-week Active Duty for Training (ACDUTRA) period aboard the USS RANGER using advanced battle tactics in both day and night operations. Naval Reserve aircrews augment fleet replacement squadrons as instructors, provide service to fleet units on adversary and target presentation missions, and furnish fleet logistics air support within the continental United States. The 4th Marine Aircraft Wing provides the critical tactical air support capability to the 4th Marine Division and provides similar training, adversary, target, and logistical support to the active force. Marine Corps Reserve squadrons have assumed contingency responsibilities while active squadrons are transitioning to the F/A 18 and AV-8B aircraft. Almost 50% of all Marine Corps Reserve missions flown in FY 85 by the 4th Marine Air Wing were in support of the regular forces, including the exercises "Team Spirit" in Korea, "Snake Hunter" in the Caribbean, "Brim Frost" in Alaska, and "Maple Flag" in Canada.

The Naval and Marine Corps Reserve, Military Construction request totals $44.5 million. It is comprised of three parts: $37.7 million for major projects, including $5.3 million for specific minor construction projects under $400,000 each; $1.5 million for unspecified minor construction projects costing less than $400,000 each; and $5.3 million for project design. In the design area, additional funds are being requested to provide for attainment of a 65% design requirement in November 1987 for the FY 89 budget.

The Naval and Marine Corps Air Reserve portion of our FY 87 program includes: two projects at NAS Glenview, IL and one project each at NAS New Orleans, LA; NAS Willow Grove, PA; NAS Dallas, TX; and NAR Whidbey Island, WA. These aviation projects are necessary to upgrade our old aviation facilities in order to meet the modern standards required to accomplish today's missions and support the new aircraft that are now coming into our Reserve forces. The projects for approach lighting systems at NAS

Dallas, TX and NAS New Orleans, LA will construct precision approach visual navigational aids that will provide constant, reliable aircraft operations. The projects for aircraft maintenance hangars at Naval Air Station Willow Grove, PA and Naval Air Reserve Whidbey Island, WA will provide new hangar facilities to allow the efficient maintenance and repair of assigned aircraft in a safe and controlled environment. These new hangars will replace dilapidated WWII hangars that have outlived their economic and useful life and are an impediment to safe aircraft maintenance and operations. The Aviation Technical Training Building project at NAS Glenview, IL will replace existing WWII semi-permanent structures and provide an efficient facility designed to meet the training needs of two VP squadrons, one VR squadron, one Marine air group and twenty other smaller Naval Reserve units. The parking apron project at NAS Glenview will provide an additional aircraft parking apron and taxiway to support the new KC-130 aircraft assigned to Marine Air Control Group Forty-Eight. Fifteen aircraft are presently using the ramp designed for six aircraft under a ground operations safety waiver.

On the Naval Surface Reserve side, the two largest projects are new Reserve training buildings at both Armed Forces Reserve Center Saginaw, MI and Naval and Marine Corps Reserve Center Youngstown, OH. These new buildings will replace 36 year-old buildings of semi-permanent (Quonset hut) construction at Youngstown, OH and will allow the Naval and Marine Corps Reserve in Saginaw, MI to vacate their centers, which were constructed in 1948, and consolidate with the Army Reserve in a jointly-funded Armed Forces Training Center in Saginaw, MI. The consolidated facility will result in increased efficiency and reduced maintenance and operating costs.

The Reserve center addition project in Las Vegas, NV will construct an addition to an existing Armed Forces Reserve Center in support of the Marine Corps Reserve. This project includes a combat vehicle maintenance facility to support training and mobilization readiness.

The project at NRC Great Lakes will provide the Naval Reserve Assault Craft Unit a facility to house and maintain two LCM's (Landing Craft Mechanized), allowing year-round performance of unit mission. At Naval and Marine Corps Reserve Center New Orleans, LA the Reserve Training Building Alterations project provides for modernization and upgrading of an existing two story training building and a central heating, ventilation and air conditioning system (HVAC).

The objective of our Military Construction program, in concert with our Facilities Maintenance and Repair Program, is to provide a balanced program which obtains optimum returns, or service life, on capital investments and which is responsive to expanded missions or new requirements.

Wherever possible, upgrading is accommodated by modernization or expansion of existing facilities rather than new construction. This policy of modernization has historically resulted in a low level of Military Construction, Naval Reserve funding.

With this background, we submit the Military Construction, Naval Reserve Program for FY 87. To make the best possible use of the limited resources available, existing facilities are, to the maximum extent possible, expanded and modernized to meet new requirements. Only when this is not feasible is new construction recommended. When new construction is required and when it is practical, consolidation with other Reserve or active facilities is accomplished.

The justification data books which have been furnished contain detailed project descriptions and supporting information. All proposed projects will provide for improved training, operational, maintenance or personnel support facilities and will contribute substantially to the improved readiness and responsiveness of the Naval and Marine Corps Reservists. We appreciate the past support of this committee and earnestly seek your approval of the required projects which comprise this years' program.

This concludes my statement, Mr. Chairman. I will be happy to answer any questions and to provide any additional information.

Mr. COLEMAN [presiding]. Let me ask one question that the Chairman wanted me to ask. The fiscal year 1987 military construction request, for the Naval and Marine Corp Reserve, it is about six percent above the appropriated amount for fiscal year 1986. This is one of the more modest increases of all the accounts for military construction.

Does the Naval Reserve consider this level to be adequate for fiscal year 1987?

Admiral KEMPF. As with all the things that we do, it comes down to priorities, and everything that we do competes with everything else in the Navy. We certainly want to work at reducing our backlog to the greatest extent possible. This represents our best effort. I would certainly hope we could support this level. We would like to do it faster and apply more funds to it, however, we believe it is a proper balance to apply to the Reserve construction budget this year, sir.

Mr. COLEMAN [presiding]. Mr. Edwards.

Mr. EDWARDS. I have no questions other than it was a very good presentation. I think the Navy budget is pretty reasonable this time.

Mr. COLEMAN. Mr. Lowery.

Mr. LOWERY. No questions.

Mr. COLEMAN. Mr. Rudd.

Mr. RUDD. No questions.

Mr. COLEMAN [presiding]. I have one question which I will place in the record.

[CLERK'S NOTE.—A question submitted by Mr. Coleman follows:]

EL PASO, TEXAS

Question. What projects are scheduled for future program years at the Naval and Marine Corps Reserve center in El Paso, Texas.

Answer. The Naval Reserve has no projects programmed for the Naval and Marine Corps Reserve Center in El Paso, Texas.

Mr. COLEMAN. That will be all. Thank you very much. We will now call General Carpenter and General McMerty. General Carpenter, you may make your opening statement and summarize it. We will place your entire statement into the record.

STATEMENT OF BRIDGADIER GENERAL SHIRLEY M. CARPENTER, DEPUTY TO THE CHIEF OF AIR FORCE RESERVE, HEADQUARTERS, USAF

General CARPENTER. Thank you, sir.

Mr. Chairman and members of the committee, thank you for the opportunity to appear before this committee to present the Air Force Reserve Military Construction Program for fiscal year 1987. With your permission, I would like to submit my statement for the record and now highlight some of the points that I believe will be of particular interest to the subcommittee.

Today we seek your continued strong support for our military construction program. Approximately 89 percent of our request is necessary to support newly-assigned missions and conversions, only

11 percent for the replacement and modernization of existing facilities.

This program is vital to our continued high state of readiness and addresses only the minimum requirements needed for new mission conversions and physical plant upkeep.

As you know, the Air Force Reserve has recently experienced considerable growth and change. During fiscal year 1985, we were challenged with the largest single year growth in personnel end strength in the recent history of the Air Force Reserve.

Our ability to attract and retain motivated, dedicated, high-quality people is reflected in the net gain of nearly 5000 people, exceeding the fiscal year 1985 programmed end strength of 74,829 personnel.

We anticipate no problem in reaching our fiscal year 1986 program end strength of 77,400, and we are requesting fiscal year 1987 end strength of 78,300 personnel.

I am pleased to report that with this growth, the Air Force Reserve is stronger today than it ever has been. We have been able to stay combat ready due to the quality of the peacetime readiness training, the experience and dedication of our personnel, the continued modernization and upgrade of our equipment, and finally and importantly, the ability to obtain and maintain necessary operational and training facilities.

This readiness was delineated in 1985 when the Reserve units scored impressive wins in the Air Force wide total force competitions. Our crews and units won top awards in the Military Airlift Command's international airlift competition, the Tactical Air Command's worldwide fighter competition, and the Strategic Air Command's bomb navigation competition.

This kind of performance has only been possible through our modernization efforts and the continued strong support of the Congress, the Department of the Air Force and Department of Defense.

As a by-product of the peacetime training that ensures this readiness, the Air Force Reserve performs a significant portion of the peacetime mission of the active Air Force. Examples over the past year include: flying over 135,000 hours augmenting the Military Airlift Command's global airlift mission; and over 4000 hours conducting hazardous weather surveillance, often flying through hurricanes and tropical storms; and flying more than 8000 missions in support of Strategic Air Command's worldwide refueling mission.

Many of these missions in 1985 supported civilian communities by helping to contain the fires in California, by helping to contain insects threatening to devastate the crops in Idaho, by providing immediate earthquake relief to Mexico City, and by providing aid to Colombia after their devastating volcanic eruption.

Our units have been able to respond rapidly to these peacetime emergencies because of our trained personnel, adequate equipment and facilities which directly support these elements.

The Air Force Reserve facility requirements will increase as we continue to modernize and expand in fiscal year 1987 and beyond.

Our first Reserve C-5 organic unit at Kelly Air Force Base Texas will grow from five to eleven aircraft. We are also planning to start construction at Westover in fiscal year 1987 for our second C-5 organic unit, which is scheduled to begin operations in fiscal year 1988.

These two units will be equipped with a total of 30 C-5s by fiscal year 1989. This summer we will establish our first C-141 organic unit by converting the C-130 unit at Andrews Air Force Base, Maryland, to eight C-141s.

In the C-130 tactical airlift area, procurement authorization added by Congress will allow us to replace two units of our C-130As with new C-130Hs during 1987. The C-130A models being replaced are more than 30 years old. We will eventually retire all of these older C-130As in the 1990s when the C-17 procurement and delivery allows the transfer of more C-141s, along with direct delivery of some C-17s to the Air Force Reserve.

Our fighter force modernization continues at a good pace. Fiscal year 1987 facility projects are required to support our newest fighter unit at Luke Air Force Base, Arizona, and the conversion at Tinker Air Force Base, Oklahoma. Luke Air Force Base will receive 24 new F-16C and D aircraft beginning in fiscal year 1987.

The conversion of Tinker Air Force Base will replace F-4Ds with 24 F-16As and Bs in fiscal year 1989.

Turning to the support units, our facility requirements have also increased due to growth in this arena, especially in Aerial Port, medical, and civil engineering units. There are more than 400 Air Force Reserve combat and mission support units that meet a significant percentage of the Air Force wartime requirement, including 64 percent of the aeromedical evacuation units, 25 percent of the tactical hospitals and clinics, 60 percent of the aircraft battle damage repair capability, 20 percent of the Air Force civil engineering force, and 47 percent of the Aerial Port squadrons.

The projects in this year's military construction program request will satisfy the Air Force Reserve's most urgent conversion facility requirements and still support a minimum effort towards modernizing and replacing some of our older facilities.

The major emphasis of the Air Force Reserve MCP focuses on new facilities to accommodate our increasing mission requirements at the expense of retaining existing inadequate or deteriorating facilities. As stated earlier, 89 percent of the total fiscal year 1987 major construction requests of $49,760,000 is required to support mission conversions and manpower increases generated by newly-assigned missions. Only 11 percent is for the replacement and modernization of existing facilities.

I am happy to report that the design of the fiscal year 1987 MCP will be well under way and is scheduled to allow early awards and obligation of funds. Our estimate for advertising the fiscal year 1987 program is presently on schedule, with the majority of the projects estimated to be 100 percent design complete by 1 October 1987.

Before closing, Mr. Chairman, I would like to make a few comments about the execution of our fiscal year 1986 program and the challenges it presents. The fiscal year 1986 Military Construction Appropriations bill levied a general reduction of $5 million on the Air Force Reserve program. This equates to 7.8 percent of our request.

Additionally the Balanced Budget and Emergency Deficit Control Act of 1985 further reduced our program another 4.9 percent. The net effect is a 12.7 percent reduction from our fiscal year 1986 identified requirements.

Therefore, to comply with the law, we must execute every project at an average of approximately 87 percent of the approved programmed amounts. Our bidding experience to date on eight projects totaling almost 45 percent of our fiscal year 1986 program has resulted in an average of 103 percent of the programmed amounts.

We are taking management actions to make cuts and obtain savings where possible, but I am not totally confident that we will be able to achieve the savings necessary to offset the total reductions. We may be driven to delay some projects.

In summary, Mr. Chairman, the facilities are basic to retaining our people and preserving a high state of readiness and morale. Your continued support is essential to maintain the solid foundation of the Air Force Reserve's vital mission.

That concludes my statement, Mr Chairman. I will be glad to answer any questions.

[The prepared statement of Brigadier General Shirley M. Carpenter follows:]

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE SUBCOMMITTEE ON MILITARY
CONSTRUCTION

COMMITTEE ON
APPROPRIATIONS
UNITED STATES HOUSE OF
REPRESENTATIVES

FEBRUARY 1986

SUBJECT: Air Force Reserve: FY 1987 Military Construction Program

STATEMENT OF: BRIGADIER GENERAL SHIRLEY M. CARPENTER
Deputy to the Chief of Air Force Reserve
Headquarters, USAF

BRIGADIER GENERAL SHIRLEY M. "SAM" CARPENTER
DEPUTY TO THE CHIEF OF AIR FORCE RESERVE
HEADQUARTERS U.S. AIR FORCE, WASHINGTON, D.C.

General Carpenter was born July 22, 1937, in Orange County, Va. He attended public schools in Williamsburg, Va. He received a bachelor of arts degree from the University of Virginia in 1960 and a master of science degree in counseling and guidance from Troy (Ala.) State University in 1976. The general is a 1967 graduate of Squadron Officers School; a 1976 distinguished graduate of Air Command and Staff College, both at Maxwell Air Force Base, Ala.; and a 1982 graduate of the National War College, Fort Lesley J. McNair, Washington, D.C.

Upon graduation as a distinguished graduate from the University of Virginia's Air Force Reserve Officer Training Corps program in June 1960, the general was commissioned a second lieutenant. He earned his pilot wings at Moody Air Force Base, Ga., in April 1962. His first assignment out of pilot training was to the 44th Air Transport Squadron, Travis Air Force Base, Calif., flying C-135B's for the Military Airlift Transport Service. He transitioned to the C-141A in February 1965.

In November 1968 the general separated from active duty and was employed by Trans World Airlines as a pilot/flight engineer. In June 1969 he joined the newly-formed Reserve Associate unit at McGuire Air Force Base, N.J., later to become the 514th Military Airlift Wing, which was in the process of transitioning to the C-141A. When furloughed by Trans World Airlines in 1970, he became an Air Reserve Technician at McGuire Air Force Base. In 1975 he attended Air Command and Staff College.

The general's next assignment was to the 702nd Military Airlift Squadron, McGuire Air Force Base, as an Air Reserve Technician operations and training officer. He was recalled by Trans World Airlines in June 1977 but maintained his Reserve status. In February 1979 he assumed command of the 702nd Military Airlift Squadron. In April 1981 he was assigned as vice commander of the 514th Military Airlift Wing, McGuire Air Force Base.

After attending National War College, he was selected as the Reserve adviser to the commander in chief of Military Airlift Command, Scott Air Force Base, Ill. He assumed his present duties in May 1985 and the grade of brigadier general June 21, 1985.

The general is a command pilot with more than 8,700 flying hours, including 83 combat support missions to the Republic of Vietnam. His military decorations and awards include the Legion of Merit, Meritorious Service Medal, Air Medal, Air Force Commendation Medal, Presidential Unit Citation Emblem, Air Force Outstanding Unit Award Ribbon with three oak leaf clusters, Combat Readiness Medal with four oak leaf clusters, National Defense Service Medal, Armed Forces Expeditionary Medal, Vietnam Service Medal with three service stars, Air Force Longevity Service Award Ribbon with two oak leaf clusters, Armed Forces Reserve Medal, Small Arms Expert Marksmanship Ribbon, Republic of Vietnman Gallantry Cross with Palm and Republic of Vietnam Campaign Medal.

General Carpenter is married to the former Ruthie Shoemaker of Bridgeton, N.J. They have four children: David, Dale, Scott and Kristian.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to appear before this committee to present the Air Force Reserve Military Construction Program for FY 1987. With your permission, I would like to submit my statement for the record and now highlight the points that I believe will be of particular interest to the Subcommittee.

Today we seek your continued strong support of our military construction program. Approximately 89 percent of our request is required to support new missions and conversions, only 11 percent for replacement and modernization of existing facilities. This program is vital to our continued high state of readiness and addresses only the minimal requirements needed for programmed new mission conversions and physical plant upkeep.

As you know, the Air Force Reserve has experienced considerable growth and change over the past years. During FY 1985, we were challenged with the largest single year growth in personnel end strength in the recent history of the Air Force Reserve. Our ability to attract and retain motivated, dedicated, high-quality people is reflected in the net gain of nearly 5,000 people, exceeding the FY 1985 programmed end strength of 74,829 personnel. We anticipate no problem in reaching our FY 1986 programmed end strength of 77,400 and we are requesting an FY 1987 end strength of 80,548 personnel.

I am pleased to report that with this growth, along with modernization of our equipment, the Air Force Reserve is stronger today than it has ever been. We have been able to stay combat ready due to the quality of peacetime readiness training, the experience and dedication of our personnel, the continued modernization and upgrade of our equipment, and finally, the ability to obtain the necessary training facilities. This readiness was demonstrated in 1985 when Reserve units scored impressive wins in Total Force competitions. Our crews and units won top awards in the Military Airlift Command's International Airlift Competition, the Tactical Air Command's Worldwide Fighter Competition, and the Strategic Air Command's Bomb-Navigation Competition. This kind of performance has only been possible through our modernization efforts and the continued strong support of the Department of the Air Force, the Department of Defense, and the Congress.

As a by-product of the peacetime training that ensures this readiness, the Air Force Reserve performs a significant portion of the peacetime mission of the active Air Force. Examples over the past year include: flying over 135,000 hours augmenting Military Airlift Command's global airlift mission; over 4,000 hours conducting hazardous weather surveillance, often flying through hurricanes and tropical storms to gather data; flying more than 8,000 missions in support of Strategic Air Command's worldwide refueling mission. Many of these missions in 1985 supported the civilian community by helping to contain fires in California with our C-130s; by helping to contain insects threatening to devastate crops in Idaho with our C-123s; by providing immediate extensive earthquake relief to Mexico City with our C-5s; and by providing aid to Colombia after their devastating volcano eruption with our C-130s. Our units have been able to respond to these peacetime emergencies because of our trained personnel and adequate equipment, to include facilities.

The Air Force Reserve facility requirements will increase as we continue to modernize and grow in FY 1987 and beyond. Our first Reserve C-5 organic unit at Kelly AFB, Texas, will grow from five to eleven Primary Aircraft Authorization or PAA. We are also planning to start construction in FY 1987 for our second

C-5 organic unit, which is scheduled to begin operations in FY 1988 at Westover AFB, Massachusetts. These two units will be equipped with a total of 30 PAA C-5s by FY 1989. This summer, we will establish our first C-141 organic unit by converting the C-130 unit at Andrews AFB, Maryland, to 8 PAA C-141s. In the C-130 tactical airlift area, continued added procurement by Congress will allow us to replace two 8 PAA units of our over 30 year old C-130As with new C-130Hs during 1987. The Air Force plans will eventually allow us to retire all of these older C-130As in the 1990s when the C-17 procurement allows the transfer of more C-141s along with direct-delivery of some C-17s to the Air Force Reserve. Our fighter force modernization continues at a good pace, with FY 1987 facility projects required to support our newest fighter unit at Luke AFB, Arizona, which will receive 24 PAA new F-16C/D aircraft beginning in FY 1987, and a conversion at Tinker AFB, Oklahoma from F-4Ds to 24 PAA F-16A/Bs in FY 1989.

Turning to support units, our facility requirements have also increased due to growth in this arena, especially in Aerial Port, Medical, and Civil Engineering Units. There are more than 400 Air Force Reserve combat and mission support units that meet a significant percentage of the Air Force wartime requirements, including: 64 percent of the Aeromedical Evacuation Units; 25 percent of the Air Force Tactical Hospitals and Clinics; 60 percent of the Aircraft Battle Damage Repair capability; 20 percent of the Air Force Civil Engineering force; and 47 percent of the Aerial Port Squadrons.

Now, I would like to focus on this year's Military Construction Program (MCP) budget request. The projects in our FY 1987 request will satisfy the Air Force Reserve's most urgent conversion facility requirements and still support a minimum effort towards modernizing and replacing some of our older facilities. A review of our construction programs over the last seven years shows that the major emphasis of the Air Force Reserve MCP has been placed on new facilities to accommodate our increasing mission requirements at the expense of retaining existing inadequate or deteriorating facilities. Since FY 1980 and through FY 1987, a greater percentage of the Reserve Military Construction dollars has been committed to facility requirements generated by either aircraft modernization or the transferring of new and additional missions to the Air Force Reserve. To illustrate, 89 percent of the total FY 1987 Major Construction request of $49,760,000 is required to support either new mission conversions or manpower increases for new missions, while only 11 percent is for replacement or modernization of existing facilities. Realizing that mission conversions are afforded top funding priority, in the coming years we must share the same concern that increased emphasis must be placed on replacing and modernizing our existing aging physical plant.

Our emphasis in FY 1987 is on mission support. A breakout would show that 38 percent of the program is for operational facilities, 40 percent for maintenance requirements and approximately 15 percent for training combat support personnel to increase their readiness capability. Also included in this request is $2,580,000 for unspecified minor construction to accomplish smaller but still essential facility projects primarily relating to mission conversions and $6,560,000 for Architectural and Engineering Services and Construction Design. At this point, I'd like to highlight that our Unspecified Minor Construction request is substaintially reduced from the FY 1986 request. This is in compliance with guidance from the FY 1986 MILCON Appropriation Bill, to minimize the unspecified minor construction requests and specify, no matter the dollar value, any known projects as part of the Major Construction area. The requirement is also accommodated in our FY 1987 MILCON Justification Books which contain a new sub-section of Major Construction entitled "Projects Under $400,000", where we are specifying known project requirements even though the dollar value is within our Minor Construction threshold.

I am happy to report that the design of the FY 1987 MCP is well under way and is scheduled to allow early awards and obligation of funds. Our estimate for advertising the FY 1987 program is presently on schedule with a majority of the projects estimated to be 100 percent design complete by October 1, 1986. I would like to point out that two of our Major Projects, over $400,000, have unfortunately not reached 35 percent design. These projects were late starters but were submitted because they are essential in our FY 1987 MCP to support the conversion of a Reserve unit at Tinker AFB, Oklahoma from F-4s to F-16s. A public announcement was recently made on the location of this conversion, after the publication of our justification books. The location (AFR 3) is no longer classified as identified in our justification material. However, our current schedule estimates 35 percent design by June 1986 for the two projects supporting the Tinker conversion, with construction contract award February 15, 1987.

Execution of our FY 1986 program is presenting a real challenge. The FY 1986 Military Construction Appropriation Bill levied a General Reduction of $5.0 million on the Air Force Reserve program, which equates to 7.8 percent of our request. Additionally, the Balanced Budget and Emergency Deficit Control Act of 1985 further reduced our program another 4.9 percent. The net effect is a 12.7 percent reduction from our FY 1986 identified requirements. Therefore, to comply with the law, we must execute every project at an average of approximately 87 percent of the approved Programmed Amounts (PAs). Our bidding experience to date on projects totalling almost 45 percent of our FY 1986 program has resulted in an average of 103 percent of the PAs. We are taking management actions to make cuts and obtain savings where possible, but I am not totally confident that we will achieve the savings necessary to offset our total reductions. We may be driven to delay projects.

In summary, Mr. Chairman, the Air Force Reserve needs the facilities presented in this program request to train, maintain, and operate this Total Force component. These facilities are basic to retaining our people and preserving our high state of readiness and morale. I will close by stating that the Air Force Reserve is fulfilling its peacetime role and is ready to accomplish its wartime mission. Your continued support is essential to maintain the solid foundation of the Air Force Reserve's vital mission.

This concludes my statement Mr. Chairman, I will be glad to respond to questions.

WESTOVER AIR FORCE BASE, MASSACHUSETTS

Mr. Hefner. Could you describe the reasons for the C-5 conversions at Westover Air Force Base?

General Carpenter. At Westover, sir?

Mr. Hefner. At Westover.

General Carpenter. Yes, sir. There are several driving elements, certainly one being demographics. We felt that we could recruit to the aircraft that we are putting up there. I guess I really should have listed the first priority as the place that you can beddown C-5's. There are just not too many air force bases across this country that you can beddown C-5's without a considerable amount of construction, and that was our third reason, that we could do it with a minimum amount of construction, even less than we put into Kelly Air Force Base.

I think those are the three driving elements.

Mr. Hefner. What is it going to cost and how long is it going to take to do this?

General Carpenter. Well, sir, in 1987 we had 24 million of our MCP dedicated to Westover. In 1988 we have another hangar to build at $14.6 million, and there is about $3 million more of minor construction, about a total of $42 million.

Mr. Hefner. Are you converting any other bases to C-5 missions?

General Carpenter. No, sir, just Kelly and Westover, as far as I know.

Mr. Hefner. Mr. Coleman.

FUNDING LEVEL

Mr. Coleman. Your request for 1987 is about $59 million?

General Carpenter. Yes, sir, $58.9 million.

Mr. Coleman. What is that over the 1986? What was it in 1986?

General Carpenter. In 1986 we requested $66.8 million.

Mr. Coleman. And you did a priority reduction and then we had the effects of Gramm-Rudman?

General Carpenter. Yes, sir. About 63.

Mr. Coleman. So, it's about 16 percent now. You are saying in terms of the construction that you are having to look at, 103 percent versus 87 percent, you're looking at about 16 percent.

General Carpenter. Yes, sir.

Mr. Coleman. Relative to a question asked earlier by Mr. Edwards concerning delay, rather than putting off every project for a year, are you going to be able to delay only specific numbers of projects or will you have to do that across the board? It is my understanding you would have some flexibility in that?

General Carpenter. Sir, right now we have for 1986 eight open bids, and that is why I referred to the 103 percent. We would like to hold those open and take a look, test the water a little bit and see what the other 12 major construction bids, maybe not all 12, but see how they come in before we really start awarding the bids.

Right now it doesn't look too favorable. We would like to execute all 20 projects because we desperately need them, and we certainly will live within the intent of Gramm-Rudman, but if we have to, we will have to go by priority. There are some we will absolutely have to put in because there are going to be airplanes on the ramp.

Mr. COLEMAN. You will do that 100 percent or 103 or whatever it turns out to be.

General CARPENTER. Yes, sir, and we will look at some that are probably the ones that do not involve conversions and see if we can slip those into the outyear.

SPECIAL OPERATIONS WING

Mr. COLEMAN. There was a creation by a conference committee report last year of an additional air reserve wing called the Special Operations Wing of the Reserve to assist the Customs Service in their drug interdiction effort, and I was wondering whether or not you could give us an update on the special operations wing?

I understood the Secretary of Defense was to make some statements, give us some direction as to what DOD was going to recommend. Do we have an update on that?

Colonel ROSAMOND. I'm not aware of the exact status at this point in time, Mr. Coleman, but it's my understanding that it is to be done using Navy, Air Force and some Coast Guard elements. I'm not sure how that organization is structured. I can provide that for the record.

Mr. COLEMAN. Okay. It was in the fiscal 1986 Department of Defense authorization bill.

Colonel ROSAMOND. I am aware of the project; I just don't have the details here to address it.

Mr. COLEMAN. Maybe you could give us the status of that currently. We have a great deal of interest in special wing, I would be directed in the Southwest, which is in my region of the country.

Colonel ROSAMOND. I will be glad to do that, Congressman.

[The information follows:]

The Secretary of Defense has provided an interim report on the Special Operations Wing to the House and Senate Appropriations and Armed Services Committees on January 31, 1986. The Secretary of Defense's final report is due on March 31, 1986, and will be provided to all four committees.

Mr. COLEMAN. Thank you, Mr. Chairman.

[CLERK'S NOTE.—A question submitted by Mr. Coleman follows:]

Question. Section 1422 of the Fiscal Year 1986 Department of Defense authorization act conference report instructs the Secretary of Defense to report to Congress on proposals to aid drug enforcement agencies in drug interdication. One of the proposals concerns the creation of a Special Operations Wing of the Air Force from either active or reserve forces to aid the Customs Service with air interdiction along the U.S.-Mexico border. It has been suggested that one of the possible locations of this wing might be Biggs Army Airfield at Ft. Bliss, Texas. Could the Air Force Reserve provide the status of this report and address the issue of the possible locations of such a wing?

Answer. The Air Force is aware of the requirements set forth in Section 1422 of the Fiscal Year 1986 Department of Defense authorization act conference report. The most effective organization and methods of implementing the intent of this requirement is currently under study by OSD and the JCS, using MOP 132 procedures, who will respond to SECDEF with their recommendations by March 19, 1986. The SECDEF is to reply to Congress by March 31, 1986. When a decision is made as a result of this study, the Air Force Reserve is prepared to operate under the guidance and direction of the USAF. The concept of operations to fulfill the objective and goals of the agency who established the new mission requirements may or may not include the USAFR. Participation variables include peacetime mission intensity, demographics, wartime mission, total force capability and cost effectiveness. The Air Force Reserve will carry out whatever part they are assigned in a manner best suited to accomplish mission requirements. Pending results of the DoD study and a clear concept of operations, it would be inappropriate to comment on possible specific locations at this time.

Mr. HEFNER. Mr. Edwards.

Mr. EDWARDS. I have the same parochial interest as the gentleman from North Carolina has expressed in his own state, but you are reasonably certain that you are going to be able to award the contracts for Tinker's conversion on the schedule that you have in here?

General CARPENTER. Yes, sir. That's the two projects that have been referred to that are 10 percent designed, and of course that was because the conversion was unprogrammatic. We anticipate having it 35 percent designed by June of this year and awarded by the second quarter of 1987.

Mr. EDWARDS. Good. I don't have any other questions.

Mr. HEFNER. Mr. Rudd.

Mr. RUDD. General, these 24 F-16s that have been referred to variously as Air Guard and Air Reserve, is there some reason for that?

General CARPENTER. No, sir. I'm not sure I follow you.

Mr. RUDD. At Luke Air Force Base. I'm sorry. Luke Air Force Base.

General CARPENTER. Well, in our mind there is no question, sir. They are Air Force Reserve. The ones going into Luke in 1987? Yes, sir, Air Force Reserve.

Mr. RUDD. They don't have anything to do with the Air Guard, then?

Colonel ROSAMOND. That is correct.

Mr. RUDD. I wonder why that comes up, Air Guard?

General CARPENTER. People have a tendency to confuse those, sir.

Mr. RUDD. Well, Air Guard has no fighter craft, do they?

General MCMERTY. The majority of the force in Air Guard is fighter, sir.

Mr. RUDD. In Arizona?

General MCMERTY. In Arizona we have a rather large operation at Tucson where we conduct an A-7 training program. They are in the process of converting to an F-16 training program, and we are working that conversion now at Tucson for F-16 training, so it is possible that people who aren't involved directly might get them mixed up.

A-7 TRAINING FOR OVERSEAS PERSONNEL

Mr. RUDD. Maybe that's it. What are you going to do with those A-7s? You were selling them—I mean somebody was selling them abroad, to some extent, and your Air Guard was training A-7 pilots from abroad.

General McMERTY. There are people that operate the A-7 in other countries besides the United States, so our foreign military sales people do have some activity there. We are the only training facility for A-7s in the United States Air Force today, so whatever needs to be done, we do it at Tucson, sir.

Mr. RUDD. That means the A-7s are gradually being sold and phased out in favor of F-16s?

General McMERTY. The aircraft in the Air National Guard are certainly stable, and as time goes on, since it is an aging system, we will try and replace it in a timely fashion. I expect the airplane to be with us going into the nineties, sir.

LUKE AIR FORCE BASE

Mr. RUDD. How were those 24 F-16s going to fit in with the Air Force at Luke? Are they acting independently in training missions only, or are they folded into any of the operations that take place at Luke by the Air Force?

General CARPENTER. I would imagine, sir, it will work very much like it has at Hill Air Force Base where we had an F-16 active unit there and a Reserve F-16 unit, and that conversion has gone very, very well. We anticipate to have the same marriage at Luke. There may be some interflying, but basically we will have our missions and they will have theirs, although we may do some training together.

Mr. RUDD. What do you call that, a squadron?

General CARPENTER. Yes, sir, a squadron.

Mr. RUDD. Do they take it from all over the country?

General CARPENTER. The majority of them will come from Arizona, although some will come from the neighboring states.

Mr. RUDD. I thank you very much.

I have no other questions, Mr. Chairman.

Mr. HEFNER. Mr. Lowery.

Mr. LOWERY. Thank you, Mr. Chairman.

I have a number of questions regarding the Air Guard decision. Obviously, it is related to Van Nuys and the unit we want to keep in California. I guess in view of the cost study, the first question would be on the justification of——

Mr. HEFNER. Could I interrupt the gentleman? We want to have his statement first.

Mr. LOWERY. All right. Fair enough.

Mr. HEFNER. I take it we have no other questions. We will go to the Air National Guard's request for $140 million, General McMerty.

STATEMENT OF BRIGADIER GENERAL JOHN F. McMERTY, DEPUTY DIRECTOR, AIR NATIONAL GUARD

General McMERTY. Thank you.

Mr. Chairman and members of the Committee, it is my pleasure to appear before you with the Air National Guard construction request for Fiscal Year 1987.

The Air National Guard has experienced considerable change over the past years. We currently number almost 110,000 personnel and are projecting an end-strength to 115,000 by the close of Fiscal Year '87. Similar growth is reflected in our facility construction requirement as we continue F-4 and C-130 series upgrade and robusting, F-16 and F-15 conversions, and satisfy the beddown requirement for C-5 and C-141 Strategic Airlift missions.

Our expanded capabilities and newly acquired missions will enable the Air National Guard to contribute an even greater portion of the total Air Force combat capability.

The Air National Guard continues to make a significant contribution to the Air Force mission at minimal cost, and is a full partner of the active force with daily alert and support missions. I believe that past investments in the Air National Guard have been worthwhile, and contributed to the high degree of efficiency with which we accomplish our missions.

The mission support I have described could not be accomplished without sizeable outlays for essential facilities. Our proposed $140 million military construction request for Fiscal Year '87 includes $122.5 million for major construction, $2.1 million for unspecified minor construction, and $15.4 million for planning and design.

The program is composed of 34 major projects at 26 installations in 21 states. Of these projects, approximately three-quarters support new missions, conversions or relocations. The remaining program reduces a few of the most essential facility replacement requirements generated by an existing $5.4 billion physical plant averaging 28 years old.

Upon completion of the Fiscal Year '87 program, some 473 military construction projects, with a total estimated cost of $780 million will still exist as valid, unfunded requirements.

The entire Fiscal Year '86 program is expected to be executed in Fiscal Year '86 with the exception of 12 authorized projects deferred to satisfy the $13.85 million Congressionally-directed appropriations reduction.

Additionally, we have not been able to construct seven authorized Fiscal Year '85 projects due to lack of bid savings necessary to offset the $10 million Congressionally-directed appropriation reduction from our Fiscal Year '85 budget submission.

The combined effect of the Fiscal Year '85 and the Fiscal Year '86 general reduction has resulted in deferral of 19 badly needed projects valued at $22.3 million.

Mr. Chairman, with your support, the Air National Guard will continue to meet the challenge of its demanding role in the total Air Force mission. Approval of the request we submit to you today is essential to assure the Air National Guard has the capacity to fulfill its responsibilities. Any reductions will seriously detract from our ability to accept new and expanded missions and to maintain our current, high state of readiness.

We appreciate the support we have received from this Committee in the past and we look forward to working together to serve the best interest of our nation in the future. I appreciate the opportunity to be here.

[The prepared statement of Brigadier General John F. McMerty follows:]

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE SUBCOMMITTEE
ON MILITARY CONSTRUCTION
OF THE COMMITTEE ON APPROPRIATIONS
FEBRUARY 1986

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: FY 1987 MILITARY CONSTRUCTION, AIR NATIONAL GUARD

STATEMENT OF: BRIGADIER GENERAL JOHN F. MCMERTY
DEPUTY DIRECTOR, AIR NATIONAL GUARD

Mr. Chairman and members of the committee, it is my pleasure to appear before you with the Air National Guard Military Construction request for FY 1987. This year's program is vital to our continued high state of readiness and addresses only the minimal requirements needed for scheduled aircraft conversions, new missions, relocations, essential plant replacements and facility upgrades.

The Air National Guard has experienced considerable change over the past years but has been able to stay combat ready due to the continued strong support from the Department of the Air Force, the Department of Defense, and the Congress. I would like to take a moment to briefly review where we stand today.

We currently number almost 110,000 personnel and are projecting an end-strength of 115,000 by the close of FY 87. Similar growth is reflected in our facility construction requirements as we continue F-4 and C-130 series upgrade and robusting, F-16 and F-15 conversion programs, and satisfy the beddown requirements for C-5 and C-141 Strategic Airlift missions. Our expanded capabilities and newly acquired missions will enable the Air National Guard to contribute an even greater portion of the total Air Force combat capability. In FY 87, the Air National Guard will possess approximately three quarters of the total Air Force Air Defense Interceptor Forces, half of the Tactical Reconnaissance Forces, one third of the Tactical Airlift Forces, a quarter of the total Air Force Tactical Fighter and Air Support Forces, and will provide increased capability to the Strategic Airlift Mission. Other ANG units will continue to play an important part in augmenting the Aerial Refueling, Rescue and Recovery, and Special Operations missions. There are 298 mission support units located with our flying units. These are primarily Medical, Civil Engineering, Security, and Aerial Port units. Similar to their flying unit counterparts, our geographically separated mission support units will further expand or continue their missions in the major areas of Combat Communication, Weather, Tactical Control, Electronics Engineering Installation, Civil Engineering, Medical and Air Base Ground Defense.

The ANG continues to make a significant contribution to the Air Force mission at minimal cost, and is a full-time partner of the active force with daily alert and support missions. I believe that past investments in the ANG have been economical, and have demonstrated the high degree of professionalism with which we can accomplish these missions.

This mission support I have described could not be accomplished without sizeable outlays for essential facilities. Our proposed $140 million Military Construction request for FY 87 includes $122.5 million for major construction, $2.1 million for unspecified minor construction, and $15.4 million for planning and design. The program is composed of 34 major projects at 26 installations in 21 states. An analysis of the individual projects indicates that approximately three quarters of them support new missions, conversions, and relocations.

While the majority of the ANG Military Construction request is directly linked to these mission requirements, the program also reduces a few of the most essential facility replacement requirements generated by an existing $5.4 billion physical plant averaging 28 years of age.

Upon completion of the proposed FY 87 program, some 473 military construction projects, with a total estimated cost of $780 million, will still exist as valid, unfunded requirements.

The FY 86 military construction program is well underway. The entire authorized program, with the exception of 12 designed projects deferred to satisfy the $13.85 million Congressionally-directed general reduction, is expected to be executed in FY 86. Based on our bidding experience in FY 85, we do not expect to realize any cost savings from favorable bids to fund these deferred projects.

Additionally, we have not been able to construct seven authorized FY 85 projects due to lack of bid savings necessary to offset the $10 million Congressionally-directed general reduction in our FY 85 budget submission. The combined effect of the FY 85 and FY 86 general reductions has resulted in deferral of 19 badly needed projects valued at $22.3 million.

With your support, the Air National Guard will continue to meet the challenge of its expanded role in the total Air Force mission. It is absolutely essential to the Air Guard to retain the proposed FY 87 program intact. Any reductions will seriously impact on our ability to accept new and expanded missions and to maintain our current, high state of readiness.

Mr. Chairman, this concludes my statement on behalf of the 1987 military construction request. This committee's continued interest and support is sincerely appreciated.

Mr. HEFNER. Thank you.

GENERIC FIGHTER BASE, PEORIA, ILLINOIS

Last year we approved the initial design of a new complex for a generic fighter base for the Air National Guard at Peoria, Illinois. The total cost of this new base will be at least $50 million. The current mission, involving OA-37 aircraft does not require a new base, so why are funds being requested for this new base?

General McMERTY. Sir, first of all, the OA-37 mission is a mission that is waning. It is in its latter years of its program life. We are phasing out of that particular program. As we do, and we look for alternative missions for the unit at Peoria, we find that we have a facility limitation in order for them to be able to take the type of fighter aircraft and do the kinds of missions that we would anticipate they would have to confront in the future.

We were working the program to do what we could within the environment that we saw, when the opportunity came to move to another part of the facility which would greatly enhance our capability and improve our flexibility, in terms of the mission there.

Mr. HEFNER. Well, the thing that gives us a little pause is why should we appropriate $4 million when we do not have the announcement of a new mission? Surely, you know what the new mission is going to be?

General McMERTY. Sir, I am not trying to be cute with you. We do not have a new mission programmed for them today. We see the OA-37 mission as an area where we are in need of other types of equipment. We have not identified specifically what we would be doing there.

Mr. HEFNER. Well, when do you anticipate that you will know what the new mission will be?

General McMERTY. I cannot specifically answer that, sir. We are trying to work toward resolution of the OA-37 issue.

Mr. HEFNER. Could it be that there would not be a new mission?

General McMERTY. I believe that the inevitability of ultimately doing something with the OA-37 is the most likely outcome. The OA-37 does not have an indefinite lifetime, so at some point we would have to come to grips with the issue; but we cannot say that it will happen in the immediate future.

RELOCATION OF THE 146TH TACTICAL AIRLIFT GROUP (PT. MUGU)

Mr. HEFNER. The recent study of the cost to move the 146th Tactical Airlift Group from its current location at Van Nuys Airport to Point Mugu as opposed to Palmdale, California revealed that it will cost $8.5 million more to move it to Point Mugu. This study will be entered in the record at this point.

[Information to be furnished follows:]

THE ATTACHED PACKAGE IS A COMPARATIVE COST STUDY

ON THE 146 TAW MOVE

TO PT MUGU CALIFORNIA

VERSUS AF PLANT 42, PALMDALE, CALIFORNIA

DEPARTMENT OF THE AIR FORCE
WASHINGTON, D.C. 20330-1000

OFFICE OF THE ASSISTANT SECRETARY

February 7, 1986

Honorable W. G. (Bill) Hefner
Chairman, Subcommittee on Military Construction
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The attached study (Attachment 1) analyzes the costs to relocate the 146th Tactical Airlift Group from Van Nuys Airport to either NAS Point Mugu or Air Force Plant 42 at Palmdale.

Based on our study, it would cost $3.5 million more to construct facilities and beddown the unit at Point Mugu than to relocate to Plant 42. The difference is $8.3 million when land costs are included.

While economic factors are important, the Air Force decision to move the 146th to Point Mugu considered many other aspects of the basing decision. These aspects are discussed in the record of decision (Attachment 2).

On November 20, 1985, the Air Force signed a memorandum of understanding establishing our intent to enter into a joint use agreement with the Los Angeles Department of Airports (LADOA), whereby commercial air carriers will operate from Plant 42.

LADOA owns approximately 17,500 acres of land adjacent to Plant 42. Since 1968 LADOA has been moving toward development of a six-runway international airport just two miles east of Plant 42. The Department of Defense (DOD) has invested billions of dollars in flight testing equipment and operating areas in the Antelope Valley to support Edwards AFB, George AFB, Plant 42, China Lake Naval Weapons Center, and the Army's National Training Center at Fort Irwin. A major airport would have severe operational impact on the special use/restricted airspace necessary to the mission of each of these facilities.

The impending joint use negotiations culminate years of effort to persuade LADOA to abandon development of the proposed airport. It is vital to the unique, irreplaceable DOD facilities in the Antelope Valley that the total available capacity at Plant 42 be reserved for this joint use.

A reversal of the Point Mugu decision at this juncture would require another basing study that could take two to three years to complete. A delay of this magnitude to relocate the unit would require a lease extension at Van Nuys that would offset the cost differential between Point Mugu and Palmdale. Further basing studies would, in all probability, force the unit to move out of the Los Angeles area to another area in California with the consequent devastating effects on retention of skilled personnel and operational readiness for a long period of time. The Air Force cannot afford this degradation in combat capability.

The Air Force is convinced that the decision to move the unit to Point Mugu serves the best interest of the Department of Defense. We request the continued support of the committee on this decision. Preliminary actions to acquire the land authorized and appropriated by the Congress are continuing; however, no obligation of funds will be made pending your reply per agreement with your staff. Design of the facilities at Point Mugu is continuing in order to maintain our very tight schedule which is required to avoid expensive lease costs at Van Nuys. The first increment of funding for construction ($19.7 million) is in the President's FY-87 budget request.

We would appreciate early consideration. If you require additional information, please do not hesitate to let me know.

Sincerely,

James F. Boatright
Deputy Assistant Secretary of the Air Force
(Installations, Environment and Safety)

2 Attachments
1. Comparative Cost Study
2. Record of Decision,
November 14, 1985

COMPARATIVE COST STUDY

RELOCATION OF 146th TACTICAL AIRLIFT WING

CALIFORNIA AIR NATIONAL GUARD

FROM

VAN NUYS AIRPORT, CALIFORNIA

TO

POINT MUGU NAS, CALIFORNIA

OR

AF PLANT 42, PALMDALE, CALIFORNIA

FINAL COMPARATIVE COST SUMMARY

A comparative cost analysis to construct facilities required to relocate the 146th Tactical Airlift Group, California Air National Guard from Van Nuys Airport, CA to NAS Point Mugu or to Air Force Plant 42 at Palmdale was accomplished. The analysis indicates that it will cost $3,496,000 more to move to Point Mugu than it would to move to Plant 42 excluding land costs. The summary of costs are:

	PT MUGU ($000)	PALMDALE ($000)	DIFFERENCE ($000)
Construction	66,088	59,454	6,634
Design Services	11,228	8,229	2,999
Lease Cost	-	3,000	(3,000)
Operations	2,255	2,791	(536)
Personnel	2,552	2,728	(176)
Training	3,482	5,907	(2,425)
	$85,605	$82,109	$3,496

The initial study was prepared by the ANG staff using the Master Plan and preliminary estimate developed for NAS Point Mugu. This Master Plan was overlayed on the land available at Plant 42 without any changes. A copy of the comparison is contained in Tab A.

This preliminary study was then taken to the Air Force Regional Civil Engineering Office, Western Region (AFRCE-WR) in San Francisco for their review of the cost estimates for Plant 42. Engineers from AFRCE-WR who manage construction at Edwards AFB and the Base Civil Engineer from Plant 42 reviewed the estimate with our NGB staff. Various elements of the estimate were revised as noted in the minutes of the meeting and in the revised cost comparison (Tab B).

Next, a visit was made to Naval Facility Engineering Command Western Division (NAVFAC/WD) where the estimate for the move to NAS Point Mugu was reviewed by their staff and the consultant who is accomplishing the design for site preparation and the first FY 87 facilities at NAS Point Mugu. The minutes for this meeting and the revised estimate are in Tab C.

The accuracy of these estimates is restricted by incomplete design at NAS Point Mugu and no hard design data for Plant 42. It was generally agreed by all parties that the estimates were accurate within ± 10% and that there is still a possibility of unknown problems at both locations.

The following are brief comments concerning the items with major cost variances. The comments are related to the final estimate Attachment 1:

a. The building estimates were prepared using the DOD's pricing guide which provides cost of the structure to the five foot line. The Point Mugu and Palmdale prices were adjusted by 1.20 and 1.27 cost factors respectively. The Point Mugu estimates were further adjusted by $8 per sq ft because of bad soil conditions which will require pile foundations and structural slabs.

b. Upper level soil conditions at both locations are poor. Paving designs were developed for Plant 42 using data available from the AF paving report of existing paving. The Point Mugu estimate was based on the actual design.

c. The streets and parking cost at Point Mugu are extremely high because the top two to three feet of soil has been disturbed by farming operations. It was recommended by the consultant that an average of two feet be excavated, replaced and compacted.

d. An investigation indicates that the power company would likely construct a new substation at Point Mugu with a connection charge of $500,000. Power was readily available at Palmdale.

e. The flatness of the land and limited difference in elevation at Point Mugu makes it necessary to construct an expensive underground retention and collection systems for the storm water. Conversely the land considered at Palmdale has a good topographic contour which will permit surface control of the storm water.

f. The site preparation costs at Point Mugu are higher because of the need to import considerable fill materials to raise the buildings to prevent flooding.

The design for NAS Point Mugu is being managed by NAVFAC. If the project was to be constructed at Plant 42 the design would be managed by the USP&FO for California. The average cost that the USAF is experiencing, using the NAVFAC as an agent, is 11% of the estimated construction cost. The USP&FO averages 7 1/2% of the construction cost. Funds were added to the Plant 42 estimate which would be required to site adapt the present master plan.

The operational costs shown are the 25 year present worth of the energy, maintenance and labor required to heat and cool the facilities and that required to wash the aircraft. Facilities at Plant 42 will require air conditioning and those at NAS Point Mugu will not because of climate differences. The climate at Point Mugu is very corrosive because of the salt in the air. The climate at Plant 42 is not corrosive. The wash cycle for aircraft at Plant 42 would be 90 days and at Point Mugu 21 days according to the USAF technical order. The present worth of heating and air conditioning over the 25 year life of the facilities would be $1,302,000 less at Point Mugu. The present worth of the 25 year life cycle cost of energy, maintenance and labor to accomplish the washing is $766,000 more at Point Mugu.

The lease extension cost shown for Palmdale is based on a one year delay should the design efforts be stopped now, the basing decision re-staffed and design started again for a move to Plant 42.

The personnel costs shown were developed by the ANG Comptroller and are based on the expected personnel losses when the unit is moved. The numbers that would leave and those that would relocate were determined through a questionaire which was accomplished during the environmental process.

The training costs shown were developed by the ANG Manpower & Personnel Division and the Office of Training and are based on 70% of the replacement personnel having prior military service thereby requiring minimal training and 30% non-prior service requiring full training. Personnel losses at both locations were determined through the questionaire accomplished during the environmental process.

Ron Watson, X74420
NGB/DE
14 Jan 1986

FINAL
COST COMPARISON
for
VAN NUYS MOVE
to
NAS POINT MUGU or PLANT 42

BUILDINGS	PT MUGU ($000)	PALMDALE ($000)	DIFFERENCE ($000)
Comp O&T Facility	$4,782	$4,646	$136
Comp Sq Ops Fac	4,150	3,977	173
Mobile Aerial Port Fac	2,375	2,310	65
Comp Acft Maint Hgr	9,961	9,709	252
Fuel Sys Maint Hgr	3,372	3,340	32
Flightline Maint Fac	1,088	1,034	54
Comp Support Fac	3,100	3,038	62
BCE Maint Facility	1,847	1,789	58
Base Supply Complex	3,118	2,870	248
Eng I&R/Prop Maint Fac	1,768	1,734	34
Support Equip Shop/Stor	522	509	13
Vehicle Maint Facility	1,374	1,345	29
Subtotal Bldg	$37,457	$36,301	$1,156
SITE DEVELOPMENT			
Acft Parking Apron	8,355	8,105	250
POL Distribution	1,954	2,068	(114)
Engine Test Pad	75	79	(4)
Taxiways	820	0	820
Taxiway Repair	0	1,242	(1,242)
Run-Up Pad	714	692	22
Streets & Parking	2,146	1,418	728
Water Distribution	1,375	1,315	60
Sanitary Sewer Sys	280	296	(16)
Elec/Comm Distribution	2,600	2,222	378
Gas Distribution	115	122	(7)
Storm Drainage Fac	2,490	309	2,181
Site Prep	3,457	860	2,597
Fencing & Security	1,250	1,250	0
Bldg Supporting Fac	3,000	3,175	(175)
Subtotal Site	$28,631	$23,153	$5,478
Total Construction Cost	$66,088	$59,454	$6,634

Attachment 1

	PT MUGU ($000)	PALMDALE ($000)	DIFFERENCE ($000)
DESIGN SERVICES COSTS			
Title I (Type A & B)	7,270	4,459	2,811
Title II (SIOH)	3,635	2,973	662
Master Plan	323	323	-
Master Plan-Revision	-	100	(100)
Lost Design	-	374	(374)
Design Cost	$11,228	$8,229	$2,999
LEASE COST			
1 Yr Lease Extension @ Van Nuys	0	$3,000	($3,000)
OPERATIONAL COSTS			
Heating & Air Cond	1,260	2,562	(1,302)
Aircraft Wash	995	229	766
Subtotal	$2,255	$2,791	($536)
PERSONNEL COSTS			
Severence Pay	1,108	1,994	(886)
Relocation			
Temporary Qtrs	394	200	194
Real Estate	1,050	534	516
Subtotal	$2,552	$2,728	($176)
TRAINING COSTS			
Aircrew Members	2,502	4,423	(1,921)
Aircraft Maintenance	382	573	(191)
Support	598	911	(313)
Subtotal	$3,482	$5,907	($2.425)
COST SUMMARY			
Construction	$66,088	$59,454	$6,634
Design Services	11,228	8,229	2,999
Lease Cost	-	3,000	(3,000)
Operations	2,255	2,791	(536)
Personnel	2,552	2,728	(176)
Training	3,482	5,907	(2,425)
Grand Total	$85,605	$82,109	$3,496

RECORD OF DECISION
ON THE
146TH TAW PROPOSED RELOCATION

The 146th Tactical Airlift Wing (TAW) of the California Air National Guard (CA ANG) is based at Van Nuys Airport, a general aviation facility located in the San Fernando Valley within the City of Los Angeles, California. The 146th TAW provides trained aircrew and support personnel for worldwide logistical airlift support and tactical airdrop service in accordance with wartime mission requirements. The unit also supports the United States Forest Service in a fire suppression mission when tasked by the Department of Defense under the direction of the Boise Interagency Fire Center in Boise, Idaho. In peacetime, it is commanded by the Governor of the State of California and serves in state emergencies, natural disasters and civil disturbances.

Van Nuys is the fourth busiest general aviation airport in the nation with annual operations surpassing 575,000. The aircraft fleet mix currently includes general aviation single- and twin-engine piston aircraft, business jets, helicopters and ANG C-130s. This mix of light aircraft with the ANG's C-130s adversely affects safety of the unit's flying training activities and has necessitated restriction of some types of its required operations. Due to the size and airspeed differences of these aircraft types, an increased potential for a mid-air incident exists.

Currently, CA ANG flying activities at Van Nuys are limited to takeoff and full stop landings. Flight crew proficiency training for assault strip takeoffs and landings, low approach procedures and touch-and-go landings are conducted at other airfields (mostly at Naval Air Station (NAS) Point Mugu and Air Force Plant #42). Tactical formation takeoffs and landings are also prohibited at Van Nuys and must be practiced at other airfields. Depending upon the time of day and day of the week, C-130 aircraft are often delayed five-ten minutes when attempting to use the active runway, resulting in wasted training time and greater fuel consumption.

The existing site at Van Nuys is inadequate; facility development is restricted and the configuration of the existing 62-acre site makes it difficult to protect ANG aircraft and facilities. A county flood control channel bisects the site from north to south, splitting the C-130 aircraft parking aprons. General aviation aircraft are parked within 125 feet of the aircraft. These conditions not only provide for potential surreptitious entry along the channel but also allow the aviation public easy access to CA ANG aircraft and facilities. All are factors that limit the 146th TAW's capabilities and mission.

The Los Angeles Airport Authority refused to consider any long-term lease proposals as they wanted the Air National Guard unit to relocate so that they could expand commercial activities. The lease expired on June 30, 1985. Los Angeles did agree to a temporary extension through 1989 to accommodate relocation of the unit. However, short-term extensions beyond 1989 will cost $253,000 per month. This amount is based on the Airport Authority's estimated amount of lost revenues from commercial activities.

To eliminate these problems, I am approving relocation of the 146th TAW from Van Nuys to NAS Point Mugu. The relocation will require acquisition of 239 acres of prime agricultural farm land and construction of new facilities. The 146th TAW will use existing naval air station runways.

Public input for the proposed action has been active and continuing. A majority of the comments received on the Draft Environmental Impact Statement (DEIS) suggested that the Air National Guard relocate to a site other than NAS Point Mugu. I have also received many cards and letters stating this position since the Final Environmental Impact Statement (FEIS) was filed. I can appreciate the concern of those individuals responding to the FEISs and understand their desire not to be exposed to additional C-130 aircraft overflights and the associated noise. I believe that much of their concern results from previous exposure to noisier aircraft and other operational situations; not only in this community but possibly in other locations and thus anticipates a much more severe impact than that which will result.

NAS Point Mugu was selected from among eight candidate sites. Five sites were unacceptable due to operating conditions and limitations. The other operationally acceptable alternative sites were Norton AFB and Air Force Plant #42. The no-action alternative is unacceptable due to the severe operating constraints at Van Nuys and the unavailability of a long-term lease except through condemnation. As stated above, the City of Los Angeles will not extend the lease indefinitely and any temporary extension of the recently negotiated short-term lease extension will be at significant cost. The three acceptable sites have adequate existing runways but each site would require construction of new facilities. The environmentally preferred alternative is Air Force Plant #42 as indicated by the FEIS.

Air Force Plant #42 was rejected primarily because reservation of all available capacity at the Palmdale facility for future civil airport purposes is considered more important to the Department of Defense. Over the past several years, the

Department of Defense has actively opposed the development of an international airport on property adjacent to Air Force Plant #42 because of anticipated extensive impact on vital Defense activities in the vicinity. As a result, the Los Angeles Airport Authority has indicated a willingness to pursue expanded joint use of Air Force Plant #42 for regional airport needs in lieu of developing the new airport. Under such an arrangement, the adjacent property would not be developed for airport purposes until the capacity of Plant #42 is exceeded by joint military/civil operations. Thus reservation of the total available capacity for civil purposes is clearly in the Defense Department's best interest. Also, such an agreement will allow the city to begin development of the expensive landholdings for compatible aerospace industry.

In addition, Air Force Plant #42 was rejected because of the impact on unit integrity. While the recruitment base at Plant #42 appears adequate to support relocation, more of the skilled full-time personnel are expected to leave the unit than would leave if Point Mugu is selected. The full-time force of the 146th TAW is the training cadre for the unit and therefore represents a critical component in long-term maintenance of unit integrity and its ability to perform its wartime mission. The CA ANG leadership has for this reason always favored relocation to Point Mugu and I am not inclined to second-guess their judgments concerning impacts on the unit.

Norton AFB was rejected because a number of airports within the Ontario approach control area result in considerable airspace congestion that constrains Norton AFB traffic and the number of other Reserve units already established in the Norton AFB area makes heavy demands on the recruiting base. Relocation to Norton AFB would also have the greatest adverse impact on unit integrity, with approximately half of the full- and part-time personnel expected to leave the unit.

Relocation of the 146th TAW to NAS Point Mugu will not significantly affect the airspace use around NAS Point Mugu. The relocation will alleviate the 146th TAW's safety and security concerns which exist at Van Nuys Airport while maintaining unit integrity and retaining base security. The NAS Point Mugu airfield is also surrounded by agricultural land, open space and ocean waters; related uses that are compatible with 146th TAW operations.

The environmental impacts associated with the proposed relocation to NAS Point Mugu are a result of development and operation of new administrative and aircraft support facilities and aircraft operations. There would be some minor noise increases from aircraft overflights and ground operations, an adverse effect of the displacement of 239 acres of prime agricultural farmland (210 acres currently in production), displacement of 44 agriculturally related jobs, the possible adverse effect of displacement of wetlands, additional air pollutant emissions and peak-hour congestion of access roads.

The ANG C-130 aircraft are much quieter than the dominant aircraft operating from NAS Point Mugu. Day-night average noise levels modeled for the entire operation at NAS Point Mugu indicate that there would be an insignificant change (almost indiscernible) in noise contours. Single event analysis of overflight of nearest community also demonstrated that C-130 noise levels, 74.9 dBA maximum (less than the noise level inside a sports car at 50 mph), were well below those currently experienced from assigned U.S. Navy F-4 aircraft (88.6 dBA maximum). All sensitive receptor locations in the NAS Point Mugu community which are overflown are located more than three miles from the end of the runway.

The 239-acre site at NAS Point Mugu is prime farmland. Most of this site is within an agricultural preserve established under California's Land Conservation Act (Williamson Act). Under the act, landowners, by contract, agree to maintain property in agriculture or open space uses in return for property tax benefits. Acquisition of this site by the Air National Guard land purchase would cancel these contracts according to provisions of the act.

Although acquisition of the NAS Point Mugu site would lead to the loss of 44 agriculturally related jobs, the net effect on employment would be positive due to 460 direct short-term construction jobs and 300-500 long-term secondary jobs generated by ANG local expenditures and in personnel relocation.

The major part of the NAS Point Mugu site is in agricultural production; however, a small wetland area is located in the southern portion. Loss of this habitat, if required by site development, would represent an adverse environmental effect which cannot be avoided. Mitigation would be provided by either on-site or off-site enhancement of wetlands.

The relocation to NAS Point Mugu is inconsistent with the Ventura County Air Quality Management Plan (AQMP) given that the plan is based on an anticipation of no new military aircraft emissions. Aircraft operations, related stationary and mobile sources and motor vehicle emissions for personnel accessing the base are estimated at 33.3 tons/year for reactive hydrocarbons (RHC) and 15.9 tons/year for oxides of nitrogen (NOx). These exceed the threshold of significance (13.7 tons/year for RHC and NOx emissions) established by the AQMP for the Oxnard plain. Mitigation has been identified and will be implemented.

The relocation to NAS Point Mugu will also result in a deterioration of Level of Service values on access roads for weekend morning and afternoon peak-hour periods. Because the most severe impacts will only occur on the one drill weekend per month, I do not consider them to be significant.

DECISION

After carefully considering the safety, security and ANG's ability to carry out its mission, and the public's concern about this action, I have decided to approve the relocation of the 146th TAW to NAS Point Mugu. In making this decision, I recognize that this alternative may have more environmental impacts than the others evaluated and that some of the local populace clearly anticipate adverse impacts to their existing environment and to their well being. In addition, I want to reserve all existing capacity at Air Force Plant #42 to protect vital Defense interests from planned incompatible civil airport development.

Although the environmental effects are not particularly severe, certain mitigation measures will be implemented to minimize their impacts. These mitigation measures are all the practical means to avoid or minimize the adverse environmental impacts caused by the relocation of the 146th TAW to NAS Point Mugu.

MITIGATION MEASURES

1. The adverse impact on the displaced farmers will be mitigated through relocation assistance and compensation for their property. The owners and tenants of all acquired private property will be compensated under the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

2. Should the wetlands at the Point Mugu site be disturbed during site development, the CA ANG shall implement its agreement with the Fish and Wildlife Service for mitigation of any loss of habitat values. Additional measures will include the use of native plants for landscaping and setbacks for environmentally sensitive habitats.

3. In an agreement with the Ventura County Air Pollution Control District (APCD), a one-time contribution of $42,161.00 to the commuter computer program will be considered to have offset the project's RHC and NOx emissions. An APCD permit will be obtained for petroleum storage facilities. Tanks will be equipped with double seal floating roofs and vapor recovery system.

4. New facilities construction will comply with federal or state building codes, whichever is the most restrictive, for seismic design.

5. Storm water quality will be assured by use of oil water separators to meet State Water Resources Control Board standards for the protection of Mugu lagoon.

James F. Boatright
Deputy Assistant Secretary of the Air Force
(Installations, Environment and Safety)

Date: Nov. 14, 1985

Mr. HEFNER. Despite this, the Air Guard has reaffirmed their intention to move the unit to Point Mugu. Can you summarize the rationale for choosing Point Mugu over Palmdale?

General McMERTY. Yes, sir, I can. There are two elements of that issue. I would like to talk to the Air National Guard portion. I have with me, as a backup witness, Colonel John Sievertson from the Department of the Air Force, who can address the second dimension of the equation.

First of all, we worked closely with the people in California to determine the best disposition of the organization at Van Nuys and what the best options are in pursuing the Air National Guard mission.

We feel that there are some very important reasons why it makes sense for us to move to Mugu. The first of those is the fact that we have a good population base and an established mission and units in that vicinity, and the move to Point Mugu will have the least impact and the degradation on them, in terms of doing their future mission. We find the facilities and the environment at Mugu to be satisfactory for the kind of operation we are going to run and the room necessary for us to locate our unit is there and available for what we consider to be a reasonable cost.

I will not sidestep the issue or the fact that we are talking about $8.3 or so million difference in the estimated cost between going to Point Mugu and going to Palmdale, but two factors bear on that. One is the fact that we believe, over the long term, $8.3 million is worth expending for locating our unit at the most advantageous place. I would like to think that we would view that in the long term rather than in the immediacy of the time that we have to make the decision.

The second factor, relative to that, is the consideration of Palmdale as an alternative to the Point Mugu beddown. There are some cogent reasons that the Air Force has for wanting to preserve their activity at Palmdale, and I would like to have Colonel Sievertson, with the permission of the Committee, address that subject.

Colonel SIEVERTSON. Mr. Chairman, for more than 18 years now, the Air Force has been opposing the city of Los Angeles in their desire to build a large airport on nearly 18,000 acres of land that they purchased adjacent to our Air Force Plant 42 at Palmdale. The construction of such an airport would have considerable impact on our operations and our business at Plant 42.

And just recently, within the last 18 months, we have been successfully negotiating with the city of Los Angeles and have come to an agreement that we think can meet the civil aircraft needs of the Antelope Valley. We recognize that there are future civil needs in the Antelope Valley, but we can meet those needs through the development of a regional airport at Plant 42, using our runway complex there. In return for that agreement, the City of Los Angeles will not construct an airport on their property next door.

That agreement was just signed and accepted by the Los Angeles Airport Board of Commissioners last month and we see that this is a tremendous move in the direction of preserving a unique national asset in the Antelope Valley, not only dealing with Air Force Plant 42. The construction of an airport by Los Angeles, and with whatever growth might be expected, would interfere with our operations at Edwards Air Force Base.

Departures would even interrupt the Navy operations up at Navy Weapons Center, China Lake, and it would disrupt our operations coming out of George Air Force Base that supports the Army's National Training Center at Fort Irwin.

So all of those things in perspective, we see the joint use of Plant 42 as a regional airport for the Antelope Valley as meeting the needs of the civilian aviation and national defense. Therefore, we do not want to place the 146th Tactical Airlift Wing or any other military unit out at Plant 42, which would put in jeopardy this agreement which we just reached with the city of Los Angeles. We have just recently begun our joint use negotiations on the actual joint use agreement.

Mr. HEFNER. I have some other questions, but I will give those to you for the record. Mr. Coleman.

Mr. COLEMAN. I have no questions.

Mr. HEFNER. Mr. Edwards.

Mr. EDWARDS. None.

Mr. HEFNER. Mr. Lowery.

Mr. LOWERY. Mr. Chairman, I have a number of questions, and some I wish to submit for the record, but let us get started.

We heard a little bit of the justification for the decision to move the 146th to Pt. Mugu as opposed to Palmdale, and I would like to pursue that further, even though there is an $8.3 million additional cost associated with that move.

We were just told that it is more advantageous, but there was not further amplification, either operational——

General MCMERTY. First of all, the operational facility at Point Mugu is very good, as it would be at Palmdale, in the sense of operating the aircraft. The biggest factor, in terms of the decision, sir, was the fact that we are concerned about our recruiting base and the integrity of the organization that we currently have. The evaluations that we have made, in terms of impact on the existing personnel and assigned personnel to the 146th are that we will retain more of them and have less disruption to the organization if we move to Point Mugu.

The second factor is the recruiting base, in the sense of being able to maintain the organization in the long term. We find that the recruiting environment in the area of Point Mugu is considerably better than what we would find ourselves confronted with if we were to move out to Palmdale.

Mr. LOWERY. Okay, why? How? I mean, you have got a number of retirees in the Palmdale area. You have got a number of aerospace plants that are there. Why is there a better environment at Point Mugu?

General MCMERTY. Well, sir, we went out and did an evaluation of the potential in terms of what our options might be. It was as a result of the studies that we determined we had a significantly better opportunity in the Point Mugu facility.

Mr. LOWERY. What is significant? How many people are we talking about? As I recall, the EIS talked about 12 percent, which is about 39 people. What would be the possible loss, due to the transfer?

General McMERTY. I would have to go back, sir, and make available to you the analysis that we did. And I would be happy to do that for the record, but I do not know it off the top of my head.

[The information follows:]

A survey of the 329-person full-time force was conducted during the environmental process to determine how many personnel would commute, relocate, or leave should the unit move to Norton AFB, AF Plant 42, or NAS Point Mugu. Data was received from 312 of the people relating to a move to NAS Point Mugu, and 317 relating to the move to AF Plant 42. The data indicates that there would be a minimum of 39 and a maximum of 51 additional losses should the unit be moved to AF Plant 42 rather than NAS Point Mugu.

Similar questions were asked of 461 of the drill status (part-time) force, with 454 completing the questionnaire. The responses indicated an additional loss of 37 with a move to AF Plant 42. A straight-line extension of this to the 1,036 total drill status (part-time) force would indicate a loss of 84 in this important group, for a total potential loss of approximately 125 people.

Mr. LOWERY. That would be helpful.

Are there not further environmental problems, not to mention the lack of at least the strain and a good deal of public resistance in the Point Mugu area, compared to the unanimous support of the local community at Palmdale? Is that not a factor?

General McMERTY. First of all, we greatly appreciate the kind of support and interest we have received from the people in the Palmdale area, and we are gratified by that.

Mr. LOWERY. It is nice to be loved.

General McMERTY. We certainly cannot feel badly about what is going on in that regard, sir. But we do feel that, for whatever reason, the activity at Palmdale in favor of our moving up there was disproportionate to what was happening in the Point Mugu area. We have had a considerable increase in the amount of activity around Point Mugu, I have a copy of a letter from Mr. Thomas McClintock from the California State Legislature from that district that he wrote to Mr. Jim Boatright favoring this move.

We have been in touch with the people in California to ensure that we are not doing something stupid in flying in the face of public resistance to a move. We have been assured that the people in Ventura County, in the Economic Development Commission in the Ventura County Board of Supervisors, the Oxnard Chamber of Commerce and people like the Camarillo Chamber of Commerce have all come on line favoring the move to Point Mugu.

So it feels like there is kind of a balance there and we just really appreciate the fact that the people are interested in what we are doing.

Mr. LOWERY. But there is division within the community?

General McMERTY. Sir, as near as we can tell, most of the resistance has been coming form isolated pockets. I don't know that the resistance to that move is particularly representative of what's going on.

Mr. LOWERY. Let me just say, was there not a unanimous vote of the Camarillo City Council against it? And was not the vote of the Ventura County Board of Supervisors 3-2?

General McMERTY. I would defer to you on that, sir, and raise no questions.

Mr. LOWERY. I mean, I don't consider that an isolated pocket. And having represented a city council, I am well aware of the incredible importance of cooperation between civilian and military authorities. When I lived with them in my own area, it is vitally important, both to the military mission, as well as the goodwill within the community.

If your evaluation is that it's a minor, small pocket, that's not quite what's coming up on my radar screen.

General McMERTY. Well, first of all, if I may take a moment to characterize the manner in which we have done the evaluation. We are a state-related kind of activity, and we have worked with the people in the State of California to make our judgments as to which is the best way to go and how we might proceed.

We have also worked very closely with them in terms of all the evaluations we've made, whether it be recruiting or an assessment of the environment into which we are going in the political sense and how well we are received or whether or not there is resistance to our move.

The senior leadership of the California National Guard, from the Governor down to the Adjutant General, all support the move to Point Mugu. I think in the case of the federal folks like myself, we just have to defer to folks at that level to make the decision.

Mr. LOWERY. But the Governor of California has stated a preference for Point Mugu over Palmdale?

General McMERTY. My understanding of the Adjutant General's position is that he has full coordination and support of the Governor of California in our move to Point Mugu.

Mr. LOWERY. One of the reasons for vacating the Van Nuys location was due to the congested airspace and air safety problems. In the environmental impact statement, they surveyed a 15-mile radius at Point Mugu; flight operations were 415,000; the ten-year projection was 496,000.

The environmental impact statement also showed the air traffic, within 15 miles of Plant 42 at Palmdale to be 232,000, about half.

Is that not a factor in moving to an area that is far more congested, in fact more than double?

General McMERTY. Sir, with the kind of activity and the type of mission that we have with the C-130, we believe that we can get into the flow of traffic at Point Mugu in a very satisfactory way. We do not anticipate any problems with that. I would have to say that the same would hold for Palmdale in terms of our flight operation.

Mr. LOWERY. The second major reason that was given was the agreement reached with the Los Angeles Port Authority.

How would the Air Guard unit at Plant 42 impact upon that?

General McMERTY. If I may, sir, I will defer to Colonel Sievertson for that response.

Colonel SIEVERTSON. First of all, it's a competition for space on the airport itself. It just so happens that the acreage which we would move the Guard unit into is also the acreage adjacent to the terminal facility that Los Angeles has already constructed at Plant 42 under a previous joint-use agreement with the City of Palmdale.

There is a terminal already constructed. So the area that the Guard would move into would compete directly with that expansion ability of the City of Los Angeles. Therefore, immediately Los Angeles would have to look for a different area to expand.

I was talking as recently as yesterday with the General Manager of the Department of Airports, who indicated that they would like to—if their operation gets going the way they foresee, they would like to expand in that very area that we had identified, that the Guard could move to.

Therefore, there is direct competition there, which again, we stress that the best long-term interest of Defense is to satisfy the civil needs of that joint-use airport and not jeopardize the military operation.

Mr. LOWERY. There's a lot of vacant space up around that flight line at Palmdale.

Colonel SIEVERTSON. But it would be land that we would have to purchase. The study——

Mr. LOWERY. There would be no other land available to lease through the Airport Authority?

Colonel SIEVERTSON. We have not explored a lease through the Airport Authority. But if we were—if they were to lease property to us, it would lead one to conclude that this joint-use agreement is an interim measure and give them the long-term idea to construct an airport.

I might mention, this agreement that we have entered into is a 25-year agreement, extendable for an additional 25 years. We don't know where the civil needs are going to in that timeframe.

Mr. LOWERY. Is the problem for space on the ground, or is it airspace and congestion?

Colonel SIEVERTSON. There appears to be adequate airspace, because I understand they are operating at about 50 percent of their advertised 200,000 capacity right now.

But one of the operational concerns at Plant 42, the environmental impact statement on the new airport, for instance, suggested that we would have to close down Runway 22, which is a crosswind runway at Plant 42, and curtail operations on the primary Runway 25.

Now if you introduced a Guard unit on the ground in there, you are automatically introducing delays for our missions. There is a severe penalty for delaying our test operations out at Plant 42. So you are introducing those delays, and then you have the civil operation on top of that, which will further introduce delays on the ground. It appears that all of these are going to be in competition with one another.

Since we do have another viable area to move the Guard unit, we would just as soon move it there, rather than out to Plant 42.

Mr. LOWERY. Well, you told me there is competition between existing military operations, potential civilian operations, a possible Guard unit, which is going to generate what—about 10 flights a day?—are bucking up against capacity, which would harm the missions of all?

Colonel SIEVERTSON. Well, my understanding is that ten flights a day, those are only takeoffs. An airplane in training capacity would make a lot more arrivals and departures than those ten per day.

Mr. LOWERY. How many would they make?

Colonel SIEVERTSON. I don't have that. General McMerty might have it.

General McMERTY. I couldn't give you an exact number, sir. Normally you will find people doing training approaches and that sort of thing in conjunction with the normal sorties, so it wouldn't be unreasonable to think that there would be a 20 to 30 percent increase over the number of transactions.

Mr. LOWERY. Well, it's my understanding that the civilian operations, which, through the agreement, would transfer to Plant 42 under the joint-use agreement would equal about ten a day. But even if the figure were increased some fivefold, there would be 3600 operations a year. That would be well within the available airspace of 149,000 operations per year.

And I guess, given that range of the agreement, would there not be room for these limited number of Guard operations? I guess I fail to see where we are bucking up against existing military needs there, which are quite important to the nation, civilian aviation needs, as well as accommodating a Guard unit of 16 aircraft.

Colonel SIEVERTSON. Mr. Lowery, there is no question that the Guard unit could go out there and operate in the near future quite compatibly with what we have there now. The question comes, what are the civil needs going to grow to and their projections, which grow quite large out in that area? We will only know once the airport gets in there and begins to operate.

If projections that—and I don't have them off the top of my head; I could provide those if you want—but if the projections came true that the City of Los Angeles projected would operate out there by the turn of the century, you would definitely be backing up against airspace and groundspace, at which time, then, the City of Los Angeles may feel comfortable moving two miles away and constructing their own airport. We just could not stand that.

[The information follows:]

Based on a single runway operation, commercial use is projected at 50,000 to 75,000 annual operations within the next ten years. The current Joint Use Agreement authorizes 50 commercial operations per day, but the number of operations which will be authorized in the revised agreement has not been determined.

So it's more the future that we're looking at here, a future need rather than the immediate need.

Plus, I might add, if we do not move the Guard unit to Point Mugu, it does not automatically mean we will move it to Palmdale. We will reopen that whole issue.

When the study was done—and General McMerty may correct me here—but because of recruiting and other things, a study was done in the Southern California region. If we do not move to Point Mugu, we will probably elect to expand that to the whole State of California to see where we would move that unit, at which time—now we are getting into the cost of staying at Van Nuys, which we understand the city is going to be charging us $3 million a year beginning in '88, I believe.

Mr. LOWERY. What other alternative sites would be available?

Colonel SIEVERTSON. We could explore all the bases.

Mr. LOWERY. You have not explored them before making the decision to go to Point Mugu?

Colonel SIEVERTSON. As I indicated, I think they looked in the Southern California region. I don't know all the bases off the top. I know we looked at Plant 42, and Point Mugu, and other bases were considered. We could provide those.

Mr. LOWERY. If you have locked in on Plant 42 and have not explored all other alternatives, and I am curious as to why you would be looking beyond that at other alternatives now.

I mean, can you tell me a thorough review of all alternatives was not originally done?

Colonel SIEVERTSON. The most recent change, as interjected here, was the agreement which we have been after for fifteen years with the City of Los Angeles to satisfy their needs for a regional airport at Plant 42. That was not known at the time the study was done, that the Guard conducted in exploring a site to relocate their unit.

Mr. LOWERY. Colonel, I would be very interested in specifically where accommodation of the Guard unit would buck up and be in conflict with the agreement that was negotiated last fall with the LA Airport Authority.

[The information follows:]

Accommodating the Guard unit at Plant 42 may impact the agreement with the Los Angeles Department of Airports (LADOA) in two ways—operations and real estate. Obviously, any increase in civilian traffic will impact Guard operations in terms of runway availability and air traffic control. As for the real estate issue, the only site available to beddown the Guard unit is an area adjacent to the Plant 42 civilian terminal, the same area that would be desirable for expansion of civil aviation facilities. The Memorandum of Understanding between the Air Force and LADOA states "City will not construct flight facilities on City property prior to the time when the capacity of Plant 42 is exceeded . . .". The proposed Guard site places immediate expansion limitations on growth for the civilian facilities. Further, present negotiations on the new Joint Use Agreement may be adversely affected if LADOA anticipates improvements to the current civil facilities that would require expansion into the proposed Guard site.

Mr. Chairman, I have further questions for the record. Let me just ask one more, if I might, right now.

And that is on the final cost comparative summary on the list for construction. Point Mugu was at $66 million, and on the 1391 submitted for Phase I of the project, it says, quote, "The last phase is scheduled in Fiscal Year '88 and completes the complex at a total cost of approximately $56.6 million."

Why the difference of 9.4 million between the two figures, and which one is correct?

General McMERTY. Sir, if I may, Colonel Pezzullo is the man that runs our military construction program, and I will ask him to respond.

Colonel PEZZULLO. When the initial cost estimates were made in the preparation of the budget, we did not have a definitive cost-out based on engineering studies concerning the soil conditions that we are going to have to overcome, this added some additional cost to the total project.

Mr. LOWERY. So what is the correct figure?

Colonel PEZZULLO. The correct figure is the amount that is submitted in the final comparative cost summary that is to be entered in the record.

Mr. LOWERY. So it will be $66 million.

Okay. Thank you.

Mr. HEFNER. Are there any further questions?

Mr. LOWERY. With the committee's permission, I would like to submit additional questions.

Mr. HEFNER. Without objection.

[CLERK'S NOTE.—Questions submitted by Mr. Lowery follow:]

RELOCATION OF THE 146TH TACTICAL AIRLIFT GROUP (POINT MUGU)

Question. What would the Air Guard do if they were prevented by Congress from moving this unit to Point Mugu?

Answer. A reversal of the Pt. Mugu decision would not necessarily mean that the unit would be relocated at Plant 42 at Palmdale. A new and expanded basing study would be required that would, in all probability, force the unit to move out of the Los Angeles area to another area of California, since all feasible sites in the Los Angeles area were considered prior to the Pt. Mugu decision.

Question. What type of increased commercial use will the Palmdale Airport experience under the impending joint use agreement with the Los Angeles Department of Airports, and how will it affect the use of airspace in the Antelope Valley?

Answer. Commercial operations will primarily consist of scheduled passenger flights originating or terminating within 500 miles of Air Force Plant 42. There were approximately 100,000 military operations at Plant 42 in 1985, but expanded air traffic control capabilities will allow an increase in military flights. Projected commercial use is 50,000 to 75,000 annual operations within the next ten years. This will reduce the current flexibility for Air National Guard flight training at Plant 42 and leave only a 15 percent growth margin before exceeding the base line established for airspace use at the candidate locations. The joint use concept of operations will allow the Air Force to retain control of the airspace with far less impact than coexistence with a major international civil airport.

Question. The Committee has heard from a number of citizens in the Point Mugu area both for and against this proposed move. What is your assessment of the predominant local opinion of this move, and do you anticipate any lawsuits on environmental grounds?

Answer. Our assessment, supported by a recent public opinion poll conducted in the 21st Congressional District, California, is that the predominant local opinion is strongly in favor of the proposed relocation. We do not anticipate any lawsuits on environmental grounds but if we were sued, we are confident our decision would be upheld by the courts.

Question. The proposed land acquisition site at Point Mugu coincides with at least five agricultural preserves created under the California Conservation Act of 1965 (The Williamson Act) and is administered by the County of Ventura. What process would the Air Force follow to acquire land at Point Mugu?

Answer. The Air Force will request the Army Corps of Engineers (the designated DOD real estate agent) to acquire the land in fee in accordance with the Corps of Engineers appraisal of fair market value. The Williamson Act has a provision for excluding land required for defense purposes.

Question. What procedures would the Air Force follow to proceed with a move to Point Mugu, and what would be the timing of these decisions?

Answer. The move will be accomplished in two phases. The first phase will involve the transfer of flight operations to Pt. Mugu with the subsequent release of a portion of the ANG site at Van Nuys back to the airport. This first phase of the project is scheduled for completion by midyear 1988 and includes necessary access roads, parking, utilities, taxiways, parking apron, flightline maintenance facility, and a composite squadron operations facility. Major aircraft maintenance and support functions will remain at Van Nuys until their respective facilities can be provided during the second phase of construction. Phase II is to be accomplished by midyear 1989 and completes the remaining maintenance, training and support facilities.

Question. Ventura County's Open Space element of its General Plan designates the proposed siting area as *Agricultural and Open Space.* Would the use of this site for the ANG facility be inconsistent with the County's General Plan?

Answer. The site required for the ANG facility represents less than one quarter of one percent of the prime agricultural land located in the southern half of Ventura County. The County has not objected to the proposal and we expect the County to modify their plan when it is updated.

COST COMPARISON STUDY (POINT MUGU)

Question. Based on the Comparative Cost Study on the relocation of the 146th Tactical Airlift Wing from Van Nuys to either Pt. Mugu or Palmdale, what is the final cost difference between the alternative site—including land costs?

Answer. The January 1986 studies indicated it will cost $8.3 million more (including land costs) to relocate the unit to Point Mugu, than it will to relocate to Palmdale.

AIR SAFETY (POINT MUGU)

Question. Does the Air Force agree with the assessment of the FEIS that Airspace Considerations are "critical criteria"? Specifically, that "total air operations within a 15-mile radius of the candidate location itself should currently be less than 500,000 annually, and that operations at the candiate location should be less than 200,000 annually"?

Answer. Yes, airspace considerations are a "critical criteria" and the "total operation" figures are reasonable if the Air Force is to maximize training and operate in a reasonably safe environment. Aircraft operations of these magnitudes create airspace congestion requiring maximum aircrew attention to other aircraft flying in the same airspace which reduces training time per sortie.

Question. Did the Air Force take into consideration the air safety problems in the Point Mugu area, such as those stated in the FAA's Safety Advisory? What impact will these conditions have on the operation of the Wing?

Answer. Air safety was thoroughly analyzed. The proposal was sent to FAA for review and comment. FAA did not provide any adverse comments about the airspace at Point Mugu. In the overall analysis of the various locations, the airspace at Point Mugu was judged favorable for the unit's mission.

Question. The Oxnard Economic Development Commission, in voting to support the relocation of the ANG Wing to Point Mugu, also voted to support the establishment of a regional airport at the Point Mugu site. Has any member of the Air Force or California Air National Guard discussed the possibility of a civilian airport being developed in the vicinity of the proposed ANG site? What is the Air Force's position on the establishment of a civilian airport adjacent to the ANG site? What effect would a civilian airport have on air safety in the area? Was the establishment of a civilian airport taken into consideration when determining air traffic volume?

Answer. We are aware of a very preliminary proposal for civilian airport development. The proposal is too embryonic to establish an Air Force position or to determine the effect on air safety in the area. It was not considered in our study.

RECRUITMENT (POINT MUGU)

Question. The Draft Environmental Impact Statement evaluated alternative locations utilizing a recommended radius of 50 miles for recruiting potential. The Final Environmental Impact Statement, however, changed the standard to a 25-mile radius. What was the justification for downgrading this recruiting radius, and to what degree did it decrease the available recruiting pool in the Palmdale/Lancaster area? To what degree did it decrease the recruiting pool in the Point Mugu area?

Answer. The 50-mile radius was used in the preliminary Environmental Impact Statement (EIS) since it is the radius most often used to evaluate general recruiting potential by the ANG. During the review period, an in depth evaluation of unit personnel and where they live led to a determination that a 25-mile radius was more meaningful for the Van Nuys relocation because:

a. There is a mountain range between the major population centers and Palmdale; therefore, the road mileage is considerably greater than the radius mileage. The 25-mile radius, in many cases, approaches a 50-mile driving distance from Palmdale.

b. Analysis of residence locations of unit personnel indicated approximately 80 percent live within 20 miles of Van Nuys.

The demographic information for the 18 to 29 year old age group, developed during the environmental process, revealed the following:

Point Mugu:	
Within 50-mile radius	1,141,300
Within 25-mile radius	110,281
Palmdale:	
Within 50-mile radius	1,729,343
Within 25-mile radius	27,426

[CLERK'S NOTE.—This is the end of questions submitted by Mr. Lowery.]

[CLERK'S NOTE.—The following questions were submitted by Mr. Coleman:]

EL PASO, TEXAS

Question. The Air National Guard facility at Biggs Army Airfield is in need of repairs. Does the Air National Guard have any proposals to upgrade the facility in future program years? What other projects are being considered in future program years?

Answer. The Army is in the process of constructing new facilities for the Sergeant Majors' Training Academy at Biggs, with an estimated FY 87 completion. At that time, two facilities totalling 18,280 square feet will be turned over to the Air National Guard to replace the present sub-standard facility of 14,472 square feet. In preparation for this move, the Air National Guard has approved the FY 86 construction to relocate the arms storage area, at a cost of $45,000. A $130,000 paving repair project presently under design and programmed for construction in FY 87 will provide organization equipment and vehicle storage. As soon as the Sergeant Majors' Academy has relocated, the minimum upgrade work needed to modify these two buildings will be accomplished, and will provide the unit with superior facilities.

TUCSON IAP, ARIZONA

Question. Explain why an additional 24 F-16's have been assigned to the Air National Guard unit at Tucson.

Answer. The 24 F-16's programmed for the 162nd Tactical Fighter Group (TFG), Tucson IAP, AZ beginning FY 86/4 are to partially meet ANG training requirements in the F-16 weapons system. The 162nd TFG will also maintain an A-7 training capability until the A-7 aircraft is phased out.

[CLERK'S NOTE.—This is the end of the questions submitted by Mr. Coleman.]

Mr. HEFNER. Well, thank you, gentlemen. The committee stands adjourned, subject to the call of the Chair.

WEDNESDAY, FEBRUARY 26, 1986.

ARMY MILITARY CONSTRUCTION PROGRAM

WITNESSES

HONORABLE JOHN W. SHANNON, ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS AND LOGISTICS)

PAUL W. JOHNSON, DEPUTY ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS AND HOUSING)

MAJOR GENERAL ROBERT J. DACEY, ASSISTANT CHIEF OF ENGINEERS

BRIGADIER GENERAL JOHN R. GREENWAY, DIRECTOR OF FORCE PROGRAMS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS

ALLEN M. CARTON, DEPUTY ASSISTANT CHIEF OF ENGINEERS FOR PLANNING, PROGRAMMING AND CONGRESSIONAL AFFAIRS, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS

COLONEL DAVID J. LYNCH, CHIEF, PLANS DIVISION, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS

COLONEL ROBERT FOLEY, CHIEF OF OPERATIONS AND CONTINGENCY PLANS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS

LIEUTENANT COLONEL ROBERT J. HANDO, REAL PROPERTY MANAGEMENT SYSTEMS, INTEGRATION AND PLANNING OFFICE, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS

DAVID N. KELLER, PROGRAMMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS

GARY W. ROBINSON, PROGRAMMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS.

STATEMENT OF THE CHAIRMAN

Mr. HEFNER. The Committee will come to order.

Today, the Committee will review the Army's fiscal year 1987 request of $1.7 billion for military construction. Our hearing this morning will concentrate on projects in the United States.

We will begin with Mr. John W. Shannon, Assistant Secretary of the Army. Following Mr. Shannon's statement, we will hear from Major General Robert J. Dacey, Assistant Chief of Engineers for the Army.

And, gentlemen, as I understand it, following your statements, we will ask you questions and then proceed with a presentation by General Dacey on the Fort Drum proposal.

And you can make your statement, you can summarize, and your entire statement will be a part of the record.

Before you start, Mr. Shannon, does Mr. Edwards have anything he would like to say?

Mr. EDWARDS. Not a thing.

Mr. HEFNER. Well, it is good to have you gentlemen with us today, and you can proceed in any way you see fit.

Mr. Shannon.

STATEMENT OF THE HONORABLE JOHN W. SHANNON, ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS AND LOGISTICS)

Mr. SHANNON. Thank you, Mr. Chairman.

We will proceed as you stated.

It is certainly a pleasure for me to be here and appear before the Subcommittee again. I appreciate seeing Mr. Edwards and Mr. Coleman. Good to see you again, sir.

I would like to summarize my statement, Mr. Chairman, and submit my statement for the record. And realizing that we have three briefings to go here, I will just make it very short.

Mr. Chairman, when I appeared before the Committee last year, it was my first time appearing before the Committee, and I would like to state up front that the Army has enjoyed a good relationship with the Committee and with the staff. They have worked very closely with us, and we appreciate that very much. We are all going to have to work together if we are going to pursue the national objective of deficit reduction.

Our request this year, Mr. Chairman, for military construction, as you stated, is $1.7 billion. And what this does, Mr. Chairman, is keep the budget as austere as we can, however it still provides a 3 percent growth over what was approved last year. It does not cut into the backlog. The backlog has grown to $26.8 billion. But within this budget we do have some initiatives that we have taken, that we hope the Committee will support. And among those initiatives, as you have mentioned, are the Light Divisions, the 10th Division, and the 6th Division.

In initiating our action with the 10th Division, we did work very closely with the local and State government officials in the State of New York and civic groups. They have been very cooperative in assisting us in putting together the division at Fort Drum.

What we intend to do, and we will give a detailed briefing later, in our approach toward funding Fort Drum, is to put together an initiative which would provide us, as regards to Fort Drum, with authorization for appropriations over a three-year period of time which will total some $600 million. We think that in doing that it is an innovative approach which provides us some savings in the long run.

Additionally this year, Mr. Chairman, we are attempting to deal with the problem of terrorism. And we have requested in this budget sums of monies to address those security issues. We are going to upgrade our depot security here in the United States as well as upgrade security of the Pershing II installations in Europe.

With the support of this Committee last year, the Congress provided us funds to purchase the Rheinberg Complex in Germany. This year we are asking for funds to continue the alterations to that facility.

Additionally, we are asking for 37 unit tactical equipment maintenance shops in this budget. We are also asking for some child care centers and physical fitness centers which we think are important in providing the quality of life that I am sure this Committee wants our soldiers to have.

Additionally, in our family housing request this year, Mr. Chairman, we are going to request $1.7 billion, a $296 million increase over 1986, for maintenance, construction and to renovate the interiors of our military family quarters in particular the kitchen and the bathrooms. We have a tremendous shortage of family housing at places such as Fort Ord and Fort Polk, just to name a few.

Mr. Chairman, I will pass to General Dacey now so he can give his slide briefing on some of the details of these programs, if that is all right with you. We will go to General Dacey.

[The prepared statement of Mr. Shannon follows:]

STATEMENT BY

MR. JOHN W. SHANNON

ASSISTANT SECRETARY OF THE ARMY

(INSTALLATIONS AND LOGISTICS)

BEFORE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

SECOND SESSION, 99TH CONGRESS

MILITARY CONSTRUCTION

26 FEBRUARY 1986

OFFSET
CAMERA COPY

I am pleased to have this opportunity to appear before this Committee to present the Army's Fiscal Year 1987 Military Construction request. The Army fully appreciates the open and professional rapport we have with this Committee, and we wish to do everything in our power to preserve this relationship. It's obvious that all the players in the budget process are going to have to work very closely together if we're going to avoid mistakes in pursuing the national objective of deficit reduction.

Last year when I appeared before this Committee for the first time, I spoke about the vital contribution that facilities make toward our goal of excellent installations; about the serious obligation we have to the individual members of the total Army family. I told you we realized we had not been doing enough in the facilities area; that we had begun to change the situation; and that we planned to do even better in the future.

This morning I am sad to have to tell you that we are losing some of the momentum.

Looking first at Military Construction, Army. This year's request is $1.695 billion. This year, for the first time, all medical facility projects are contained in the Title IV request. Projects at Army installations contained therein amount to $112 million, which when added to our Title I request brings this year's total figure to $1.807 billion. However, to compare it to last year, we have to reduce it for dollar devaluation overseas and general cost growth. In terms of constant buying power versus last year, we calculate this year's request at $1.658 billion including medical facilities. This figure is down 18% over last year's request and is a real growth of only 3% over last year's final approved amount. When I appeared before you last year, I told you our request would just about arrest the growth of the backlog. Our request was reduced and consequently our backlog has grown to $26.8 billion. This year's request will not arrest the growth of the backlog either. We are not putting enough into our construction program and we know it, but, given the present budget picture, I don't know if or when we'll be able to change it.

Within this context of inadequate overall funding, we are still pursuing certain goals and initiatives.

The first initiative is for our light infantry divisions. We are requesting $138 million for the 6th Infantry Division (Light) in Alaska. In providing the facilities for our 10th Mountain Division at Fort Drum, we have to build an entire installation almost from scratch. The challenge is to provide quality facilities in the shortest possible time and at least cost to the government. We have responded innovatively to this challenge. From the beginning, we actively sought and were successful in achieving full cooperation with the local and

state governments as well as civic groups. This cooperation has resulted in significant facilities support in utilities and family housing without any direct Federal financial expenditures. We also sought advice from the private sector, construction corporations, bankers and academic experts; all with the view of developing the optimum approach to our construction challenge. We believe that the innovative approach we have developed will indeed provide the high quality facilities we need but in less time and with considerable savings over the normal approach. Instead of treating our construction requirements as individual projects, each programed and contracted for separately, we have devised a way to treat our construction needs as the integrated package it really is. This will allow the construction progress to be paced by efficiency, and we believe that the economies of scale inherent in this approach will reduce the cost to the government significantly. Our approach embodies three essential points:
(1) Authorization for the full scope of work in Fiscal Year 1987,
(2) Appropriation in Fiscal Year 1987 of $232 million, and
(3) Advance appropriations of $231 million in Fiscal Year 1988 and $162 million in Fiscal Year 1989. I want to emphasize that under this approach we will see to it that at no time during the construction will our termination liability exceed the funds actually appropriated. You will be receiving a more detailed presentation of this initiative later, but I thought it would be helpful for me to outline the essential elements of our proposal.

Another initiative being pursued in this year's program involves some $70 million in various types of facilities at Vilseck, Germany. These facilities continue the phased plan begun several years ago and will accommodate the fourth of the five battalion force to be stationed at this location.

Another continuing initiative being forced on us by world conditions is to provide for anti-terrorism and security needs. We are requesting an additional $48 million to complete the upgrade of the Pershing II in Germany and $17 million for increased security at our depots in this country.

Last year the funds were appropriated to purchase the NORTHAG Support Complex in Rheindahlen, Germany. This year we are requesting $16 million for alterations and improvements necessary to make full utilization of this facility as planned.

Another goal we have been pursuing for the past several years is to provide adequate unaccompanied housing for all our soldiers by Fiscal Year 1990. This year's increment is $267 million to house 10,869 servicemen and women.

This year's request contains 17 unit tactical equipment maintenance shops in continuance of our goal of buying out the deficiency in this category by Fiscal Year 1994. We are requesting 19 child development center projects with a projected buyout of this category by Fiscal Year 1992. Also included are 6 physical fitness centers toward a buyout in Fiscal Year 1993. Finally, we are continuing to emphasize training facilities with 35 projects totaling $214.6 million and a projected buyout in Fiscal Year 1996.

Since our programing emphasis lies in the areas I have just outlined, it follows that in other areas we can not do as well as we would like. How are we going to handle these other areas? Well, we have hope that we will be able to satisfy a significant number of our needs through third party initiatives. We are convinced that through well planned and carefully executed third party solicitations we can satisfy some of our needs at considerable life cycle cost savings to the American taxpayer. We are aggressively pursuing such initiatives under the authority we have already been given and are investigating lease/purchase approaches. I firmly believe that our authority in this area should be broadened to include additional types of facilities. The Army appreciates your interest in this matter and pledges its wholehearted support to what I hope will be a most fruitful undertaking.

I would now like to turn to the family housing portion of this year's request. Our family housing request presents the housing needs of our soldiers and their families. This year's request of $1,740.6 represents a $296 million increase over 1985 and illustrates the depth of our commitment. I am particularly proud to say that the enlisted soldiers' needs are being taken care of in current programs.

Key initiatives in this area include: continuation of our program to fix our existing inventory; making improvements to provide all families with decent kitchens and bathrooms; and new construction to obviate very critical housing shortages at Fort Ord, Aberdeen Proving Ground, Seneca Army Depot, Fort Drum, Fort Polk, Alaska, Kwajalein Islands, and 9 locations in Europe. While I have to characterize our family housing request as austere, I firmly believe it is forward looking and does prove the sincerity of our commitment to Army families.

Mr. Chairman, before concluding my statement let me again thank this Subcommittee and its staff for the help and support it has given to the Army family. I will be happy to try to answer any questions the Subcommittee may have.

STATEMENT OF MAJOR GENERAL ROBERT J. DACEY, ASSISTANT CHIEF OF ENGINEERS

Army Summary

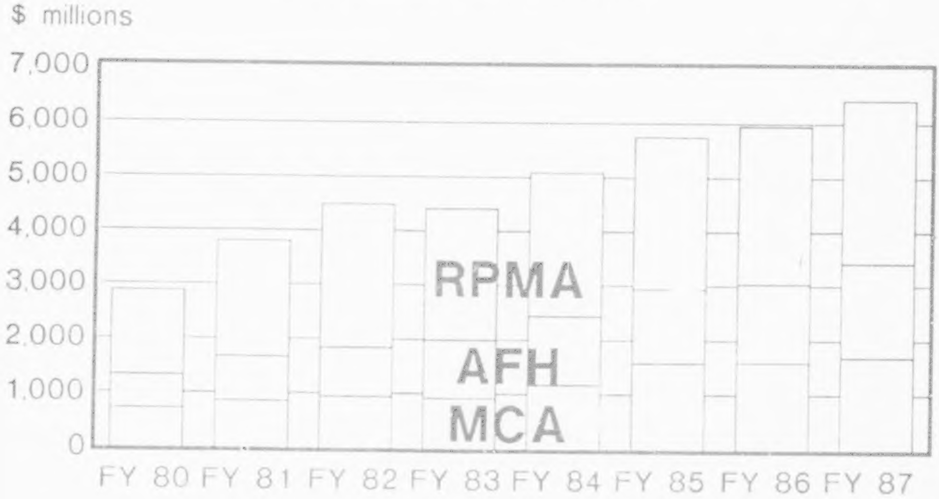
MCA	$1,695
AFH	$1,741

General DACEY. Good morning, sir.

Sir, our MCA Appropriation request for fiscal year '87 totals $1,695,200,000. The authorization request includes $615 million for full authorization of project requirements to provide the facilities necessary for the 10th Light Infantry Division at Fort Drum, New York. The Fort Drum appropriation request for FY '87 is only $232 million, with the remainder being requested for appropriations in FY '88 and FY '89.

The family housing appropriation as shown here is $1,740,646,000.

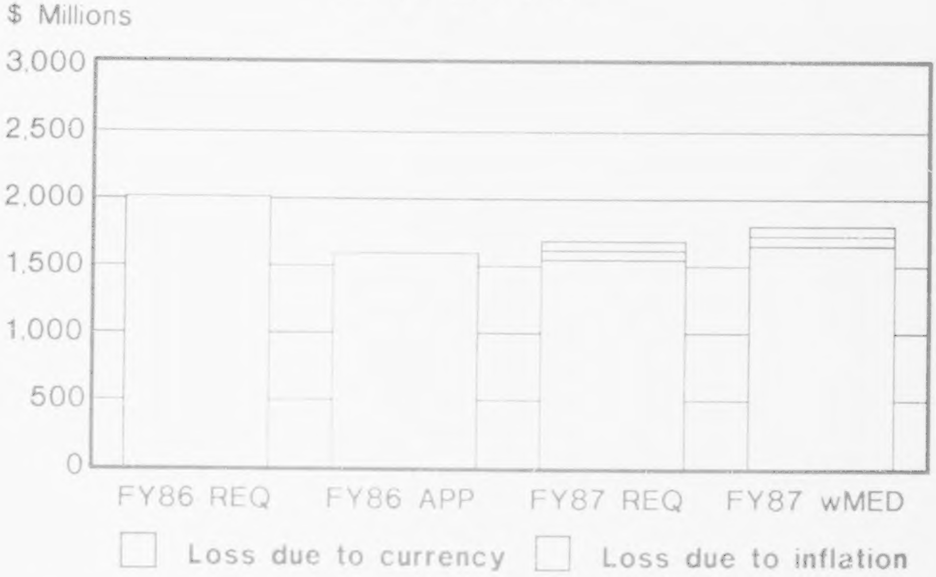
FACILITIES APPROPRIATIONS



General DACEY. Here is an updated chart showing historical appropriations data for MCA, Family Housing, and RPMA facility accounts. Also shown is our total request of $6.8 billion. Sir, this chart reflects the Army's commitment to upgrade facilities for our soldiers and their families to help us attract and retain the people that we want to have serving in our Army today.

MCA APPROPRIATION COMPARISON

FY 86 TO FY 87

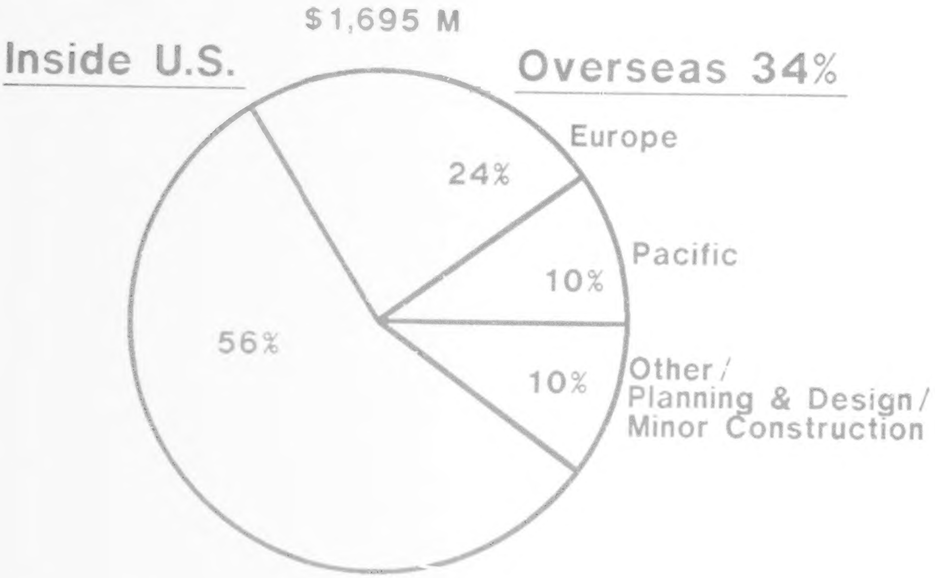


General Dacey. When we look at the MCA request for '87 and compare it to '86 we have some interesting results. Last year, our appropriations request was for $2,021,000,000, which is shown by the bar on the left. The final appropriation was $1,603,000,000 shown by the second bar.

For our '87 request, $70 million is deducted from the top to pay for inflation and we are losing another $71 million in purchasing power due to currency changes in Germany. We formulated the budget originally at the rate of 2.99 deutschmarks to the dollar. We reduced the 2.99 rate for this submission to 2.46. Today the deutschmark rate is 2.24 to the dollar.

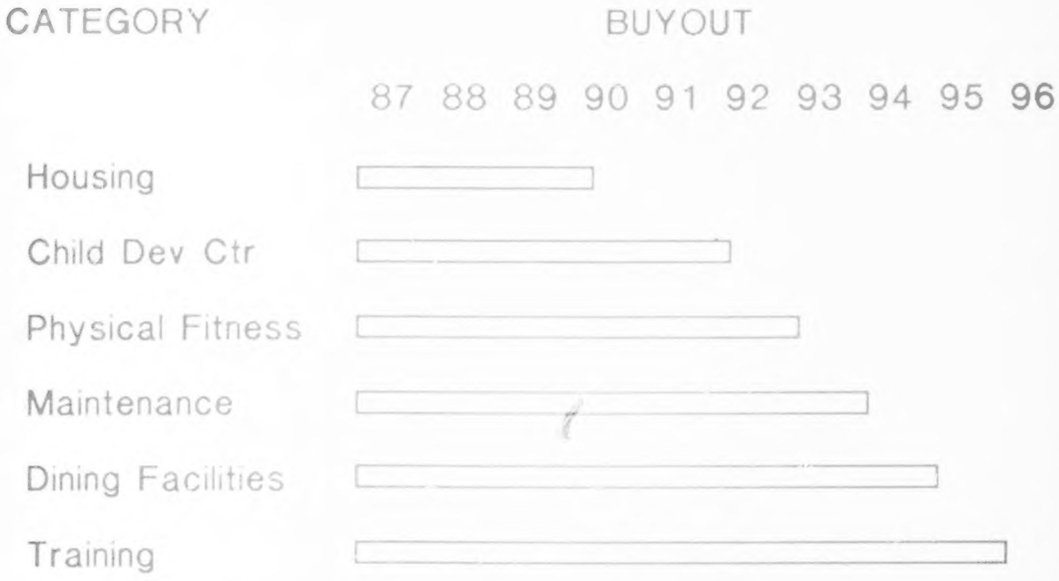
Essentially this leaves us with a purchase power request less than what we received in appropriations last year. The last bar shows the purchase power, if we still had the medical projects in the Army program. But as you are aware, they are now in the Defense Agency's Program.

FY 87 MCA Appropriation Inside U.S. vs. Overseas



General Dacey. This next slide shows the split of our appropriation request between CONUS and overseas projects. As you can see, 56 percent of our program is in the United States. The inside the U.S. portion includes an appropriation request for $232 million for the first major increment of construction at Fort Drum.

FY 87 MCA PROGRAM
Elimination of Facility Deficits

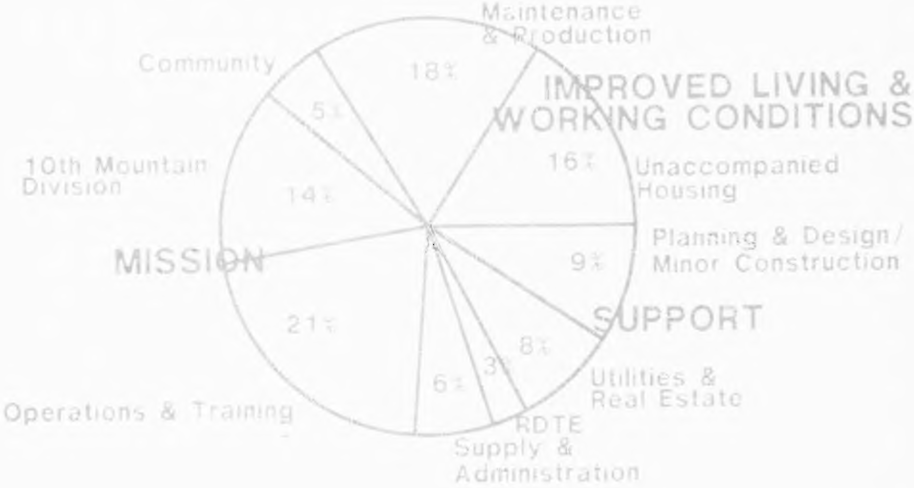


General DACEY. In preparing a balanced military construction program, we started with an Army goal to eliminate the deficit in certain key areas as shown here. These key facility categories are the heart of providing the basic living and working requirements for our soldiers and their families. They are the basis for job satisfaction in the Army and can mean the difference in whether or not we keep trained personnel in uniform.

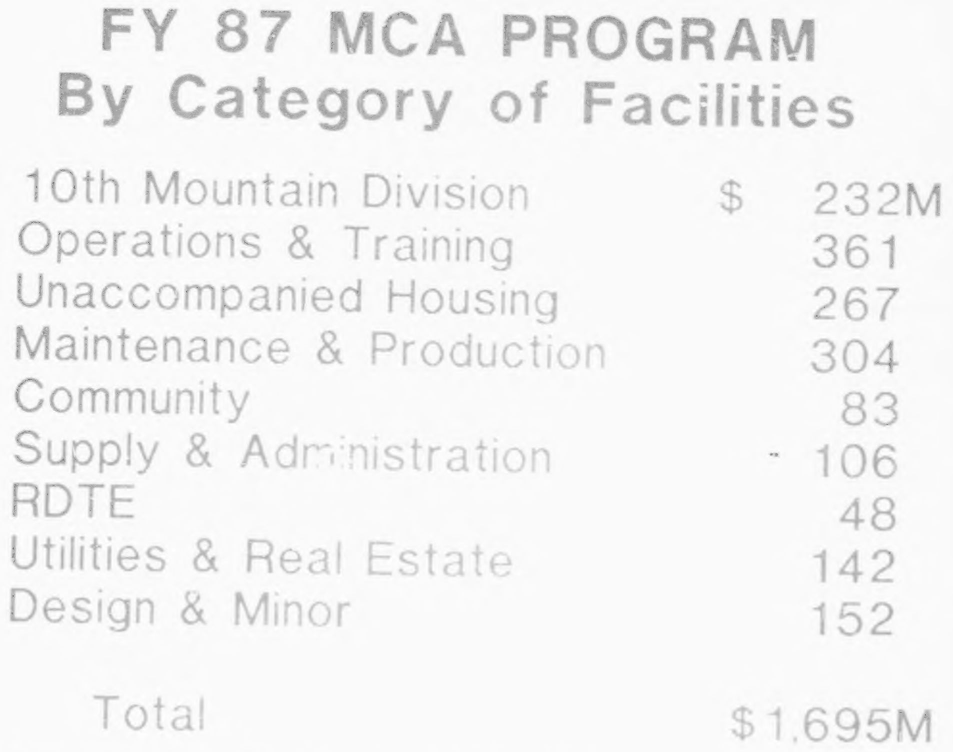
Our plan to buy out these projects prior to having taken recent reductions is as shown. We hope that we will not have to adjust too severely from that plan sir.

FY 87 MCA Appropriation
Categories of Facilities

$1,695 M



General DACEY. Above you see our mission type facilities in the orange. At top right in the tan color are the improved living and working conditions facilities. And on the lower right are the support facilities.

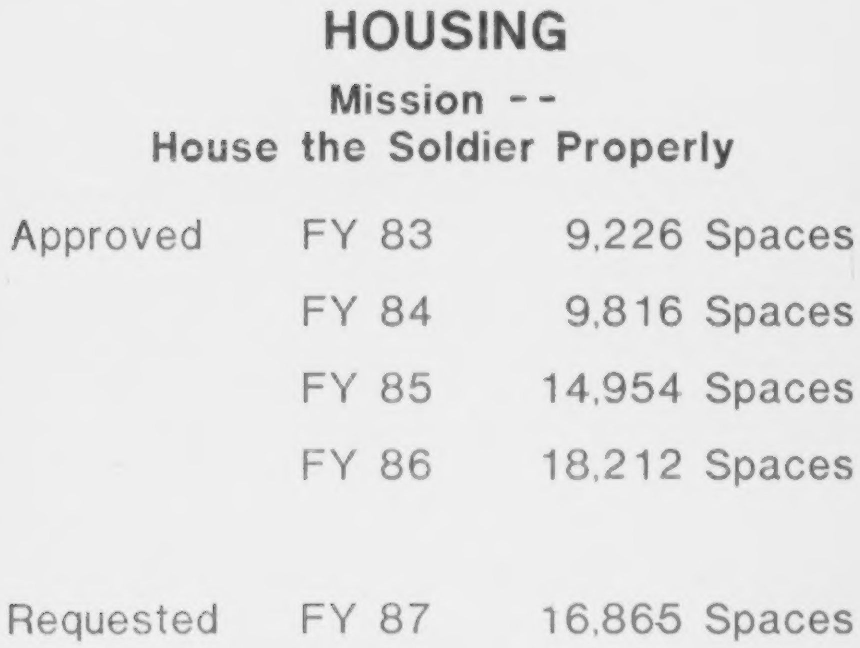


FY 87 MCA PROGRAM By Category of Facilities

10th Mountain Division	$ 232M
Operations & Training	361
Unaccompanied Housing	267
Maintenance & Production	304
Community	83
Supply & Administration	106
RDTE	48
Utilities & Real Estate	142
Design & Minor	152
Total	$1,695M

General DACEY. On the second slide, the dollar amount for these activity categories is shown.

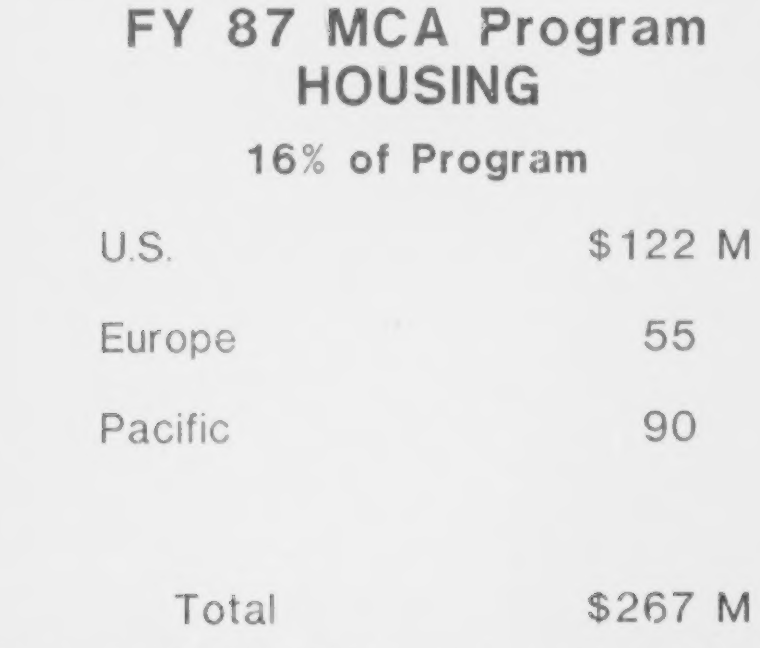
We have broken out the 10th Mountain Division amounts because they are a significant part of our request. And as you mentioned, sir, I will go into that in more detail later.



HOUSING

Mission --
House the Soldier Properly

Approved	FY 83	9,226 Spaces
	FY 84	9,816 Spaces
	FY 85	14,954 Spaces
	FY 86	18,212 Spaces
Requested	FY 87	16,865 Spaces

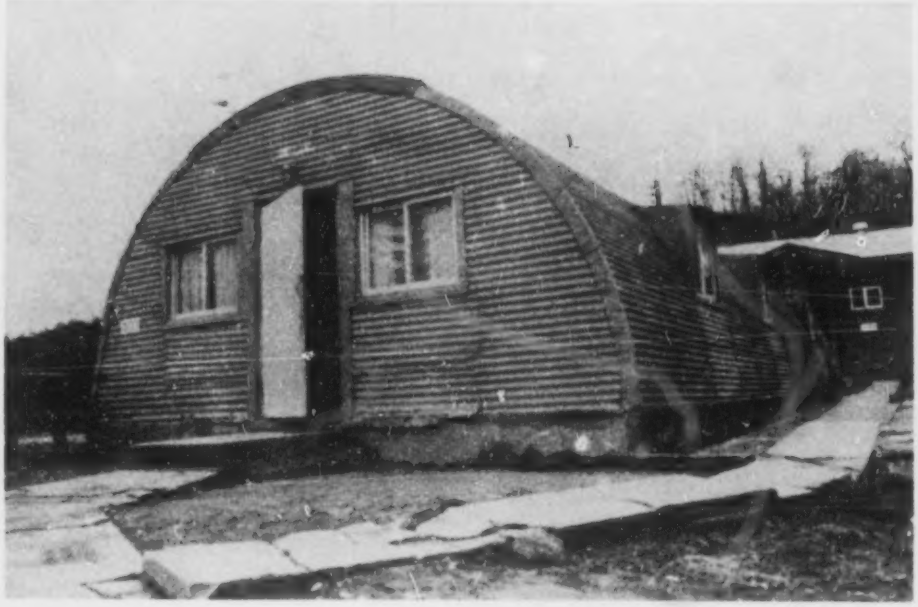


FY 87 MCA Program
HOUSING

16% of Program

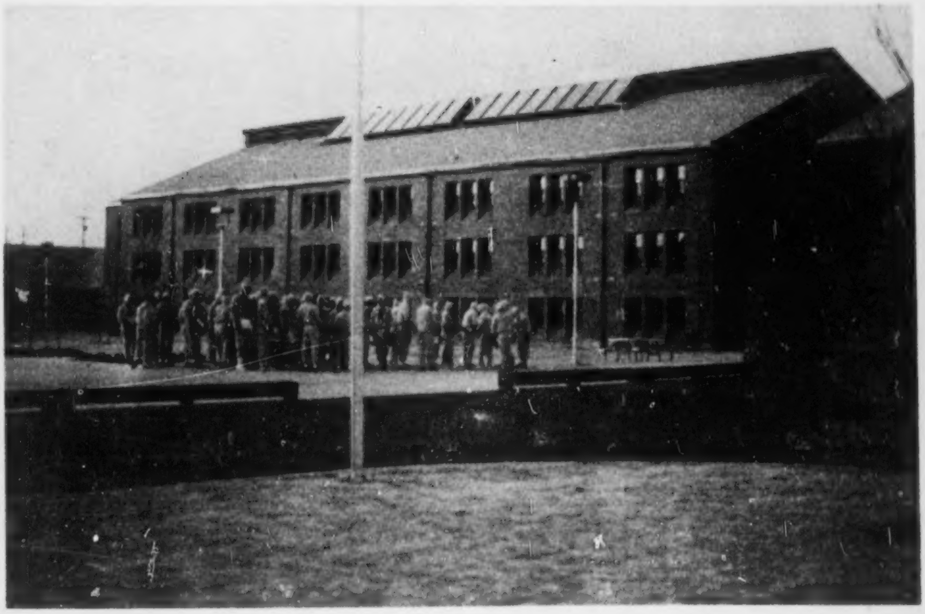
U.S.	$122 M
Europe	55
Pacific	90
Total	$267 M

General Dacey. Looking at the major categories of facilities, for unaccompanied housing, the slide at the top shows the history of the number of spaces provided in recent years. At the bottom of this slide, we show the total spaces requested in the '87 budget, 16,865 spaces. On the lower slide, you see that housing is about 16 percent of our program, with the dollars shown for the U.S., Europe and the Pacific. The total is $267 million.



General DACEY. This is a picture of the type of facility we are trying to replace in Korea. Shown here is a quonset hut that houses soldiers of the 2nd Infantry Division.

General DACEY. This, sir, is the kind of facility that you have provided for our soldiers at Fort Ord, California. It is a new dining facility, and is the kind of facility we take pride in providing our military personnel.



General DACEY. Shown here at Fort Bragg, North Carolina, is one of the new barracks provided.

General DACEY. And, lastly, this is the soldier we are trying to take care of who is still living in one of those Quonset huts in Korea.

MAINTENANCE

Mission --
Provide Adequate Working Conditions

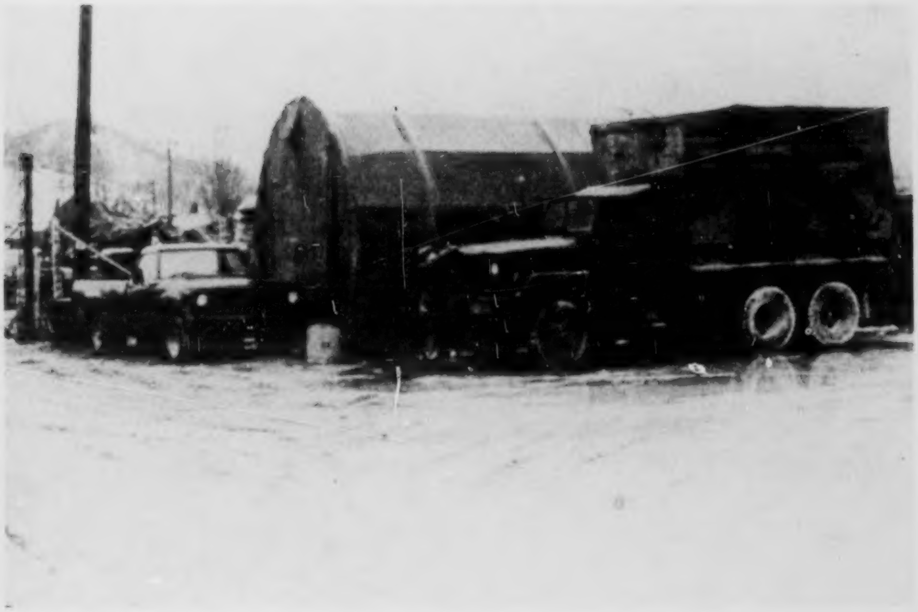
Approved	FY 83	32
	FY 84	36
	FY 85	35
	FY 86	46
Requested	FY 87	37

FY 87 MCA Program MAINTENANCE

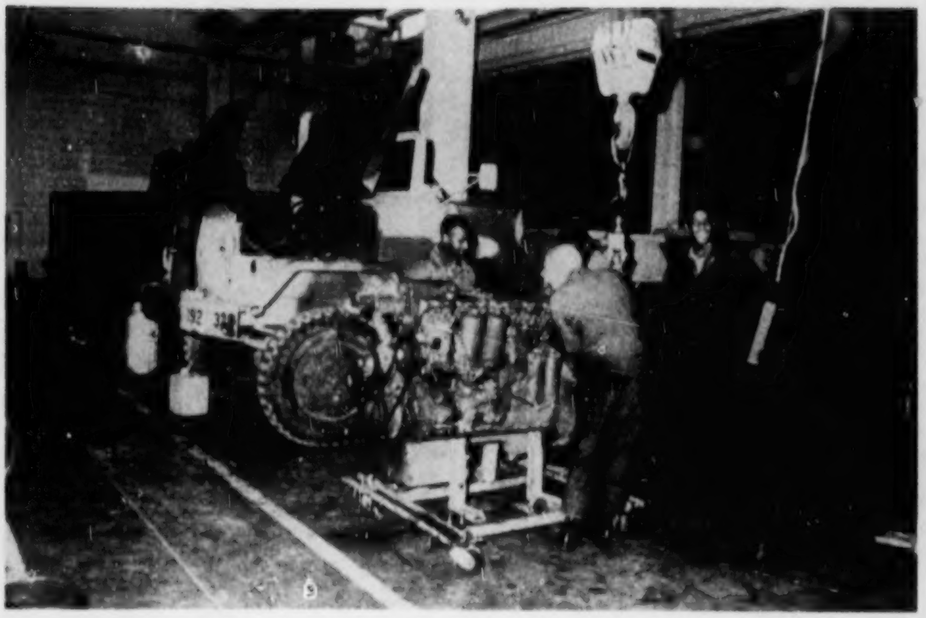
18% of Program

U.S.	$127 M
Europe	147
Pacific	30
Total	$304 M

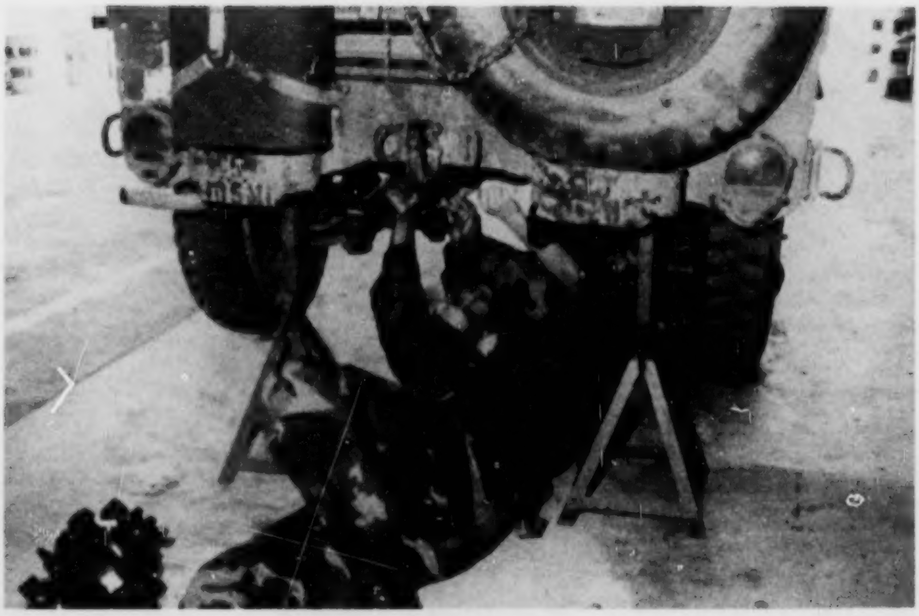
General Dacey. The next category is maintenance. At the top is the history and request slide. On the slide below this category makes up 18 percent of our request, and again the dollar split is shown.



General DACEY. The type of maintenance facilities we are talking about, sir, like this one, at Camp Greaves, Korea, indicates that some of our maintenance is still performed in the open or in maintenance tents.

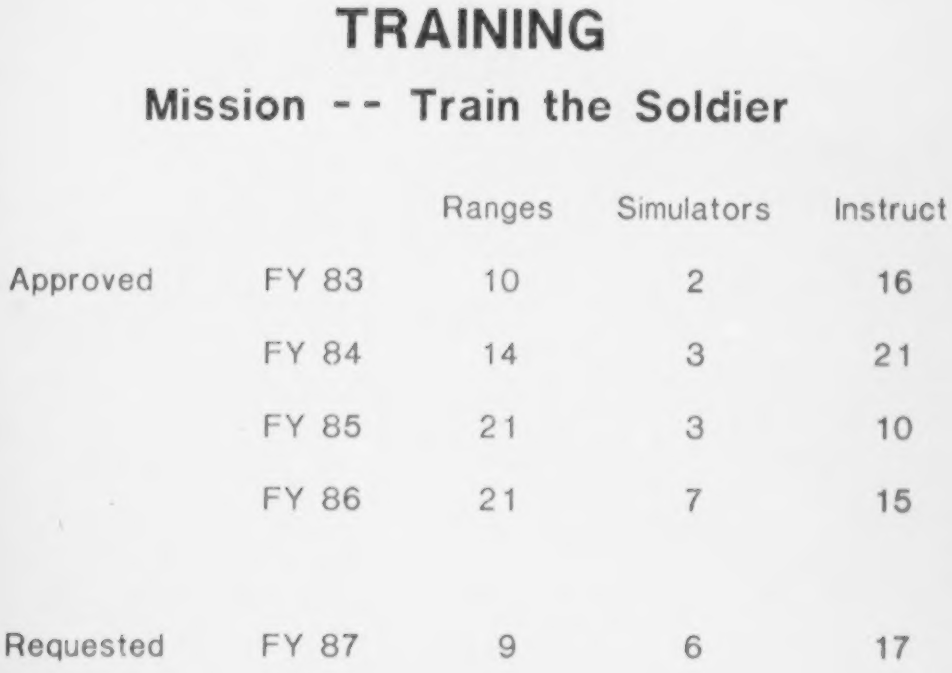


General DACEY. A new facility at Fort Campbell, Kentucky, is appreciated by the soldiers as evidenced by the smiles they have for the people who provided it for them.



General **Dacey**. At Fort Polk, Louisiana, we still do maintenance from the ground up. Fortunately, these soldiers are not lying in the mud as these soldiers do at Camp Casey, Korea where in their motor pool they have to do maintenance in the open (See lower slide).

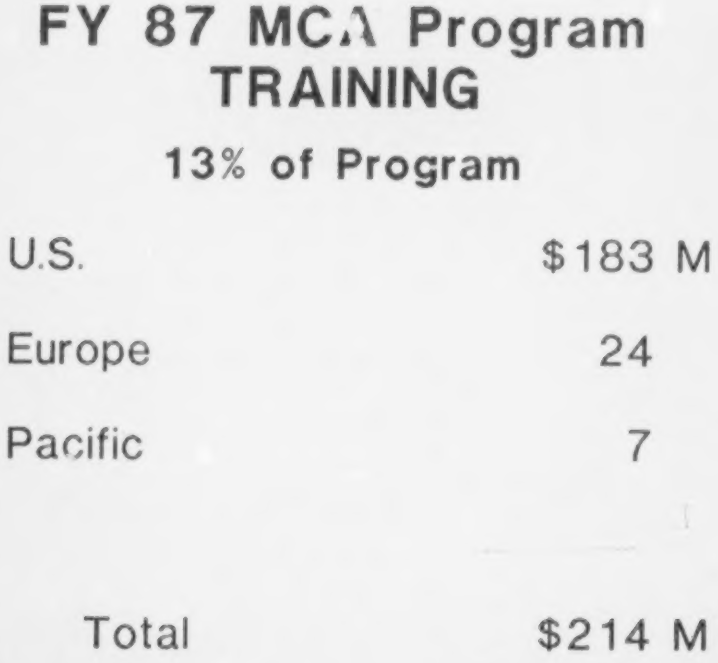
General DACEY. Our briefing would not be complete, sir, if we did not have a motor pool to show you where we believe paving is necessary. This is at Aschaffenberg, Germany, where we hope to be able to improve the conditions under which we store and maintain equipment.



TRAINING

Mission -- Train the Soldier

		Ranges	Simulators	Instruct
Approved	FY 83	10	2	16
	FY 84	14	3	21
	FY 85	21	3	10
	FY 86	21	7	15
Requested	FY 87	9	6	17



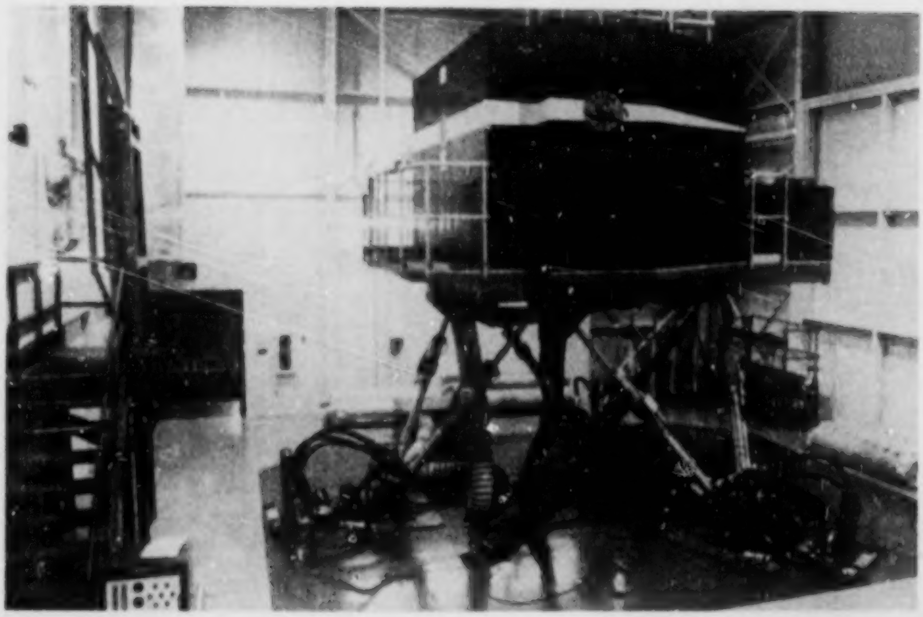
FY 87 MCA Program
TRAINING

13% of Program

U.S.	$183 M
Europe	24
Pacific	7
Total	$214 M

General DACEY. Training is the next category. This historical slide shows the number of approved ranges simula[illegible] the institutional facilities that this Committee has provided the Army in the past.

The FY '87 request is at the bottom. On the lower slide we show that training is 13 percent of our program for FY '87.



General **Dacey**. Here is some of the new facilities now being used as a result of prior year programs. The first is a flight training simulator at Fort Campbell, Kentucky. Next is a classroom at Redstone Arsenal, Alabama. (see lower slide)

Mr. **Hefner**. The simulator, could you explain what this is?

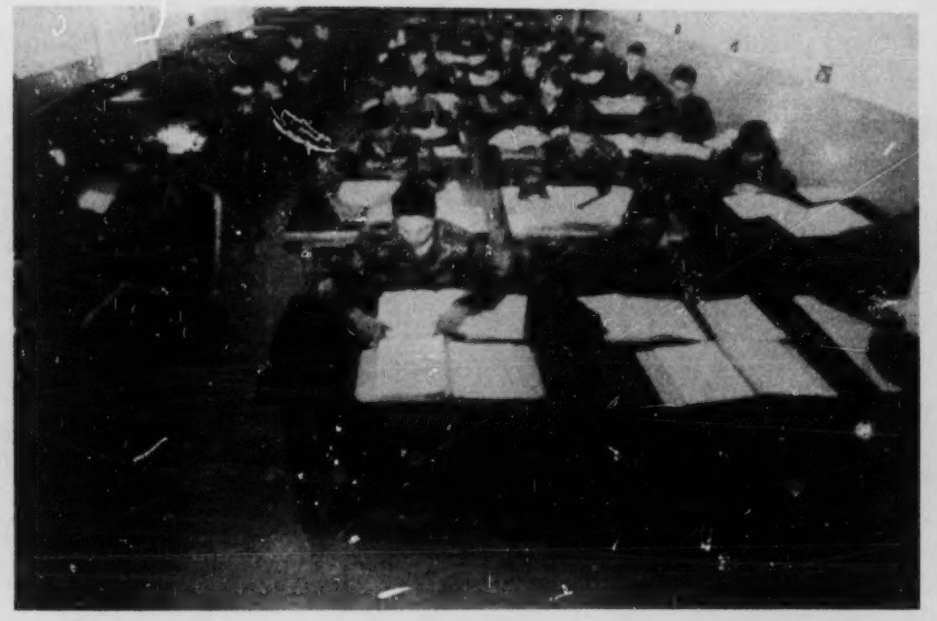
General **Dacey**. Sir, if you go inside it is as though you were in the cockpit of the H-64.

Mr. **Hefner**. Okay.

General **Dacey**. It is tied to computers where, as they touch the controls, they will see on the windows a scene that would actually happen as they maneuvered those controls in flight.

The safety aspect of it is that they can go beyond the limits of the aircraft and actually crash it. They can do all of the things that they could actually do in the cockpit of the aircraft. They can do it in a safe manner without having to eat the costs of the repair parts and fuel. It is under a controlled condition and later they can be critiqued.

Each of the movements they did, we captured on videotape and replayed it to see if they did everything exactly in accordance with procedures.



General **Dacey**. And, lastly, this is an inadequate learning facility at Fort Lee, Virginia, where we have people with their desks in the halls. We hope to provide better classroom facilities for them in the future, sir.

SUPPLY

Mission --
Provide Adequate Working Conditions
Safeguard Materials and Equipment

		Ammunition	Warehouse
Approved	FY 83	4	1
	FY 84	4	3
	FY 85	13	6
	FY 86	19	9
Requested	FY 87	5	9

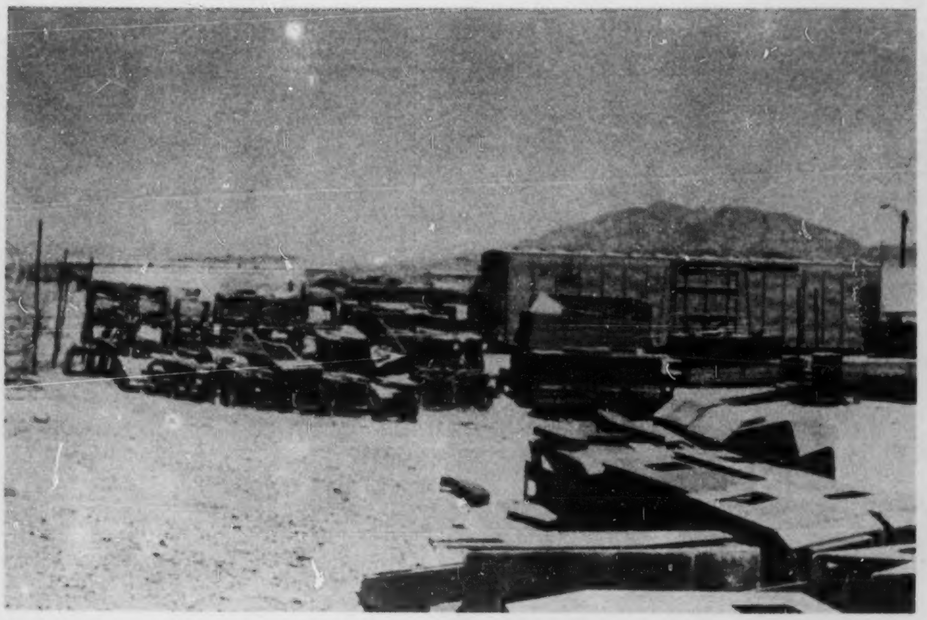
General DACEY. Our next category is supply. On the history side, we show the total number of ammunition storage and warehouse projects that you have approved in the past that are in place or under construction.

FY 87 MCA Program
SUPPLY

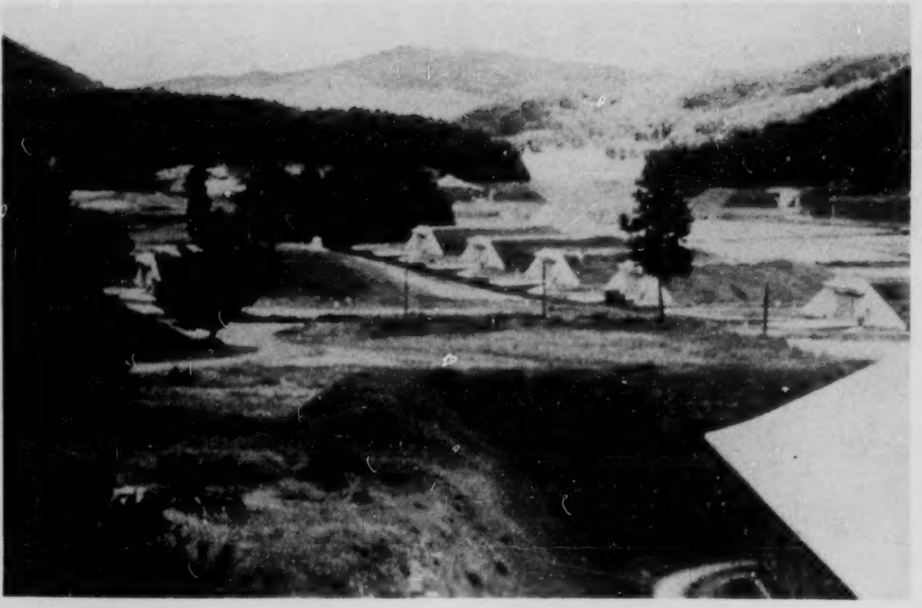
5% of Program -

U.S.	$54 M
Europe	7
Pacific	13
Other	9
Total	$83

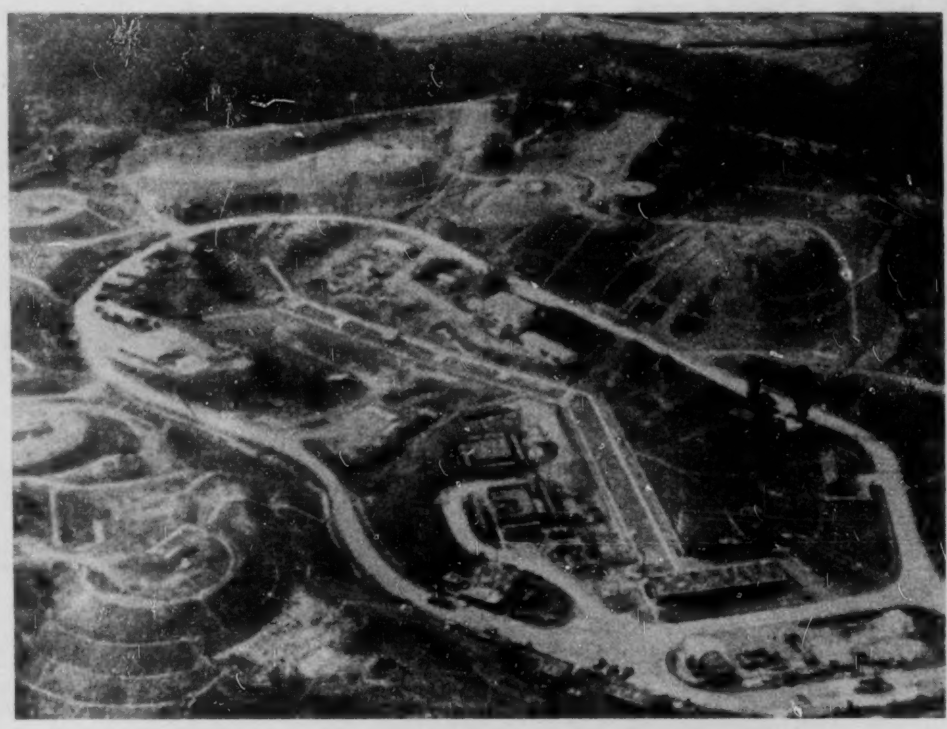
General DACEY. The FY '87 request is a shown. You can see that this category is 5 percent of our request and the dollars are going to the locations shown.

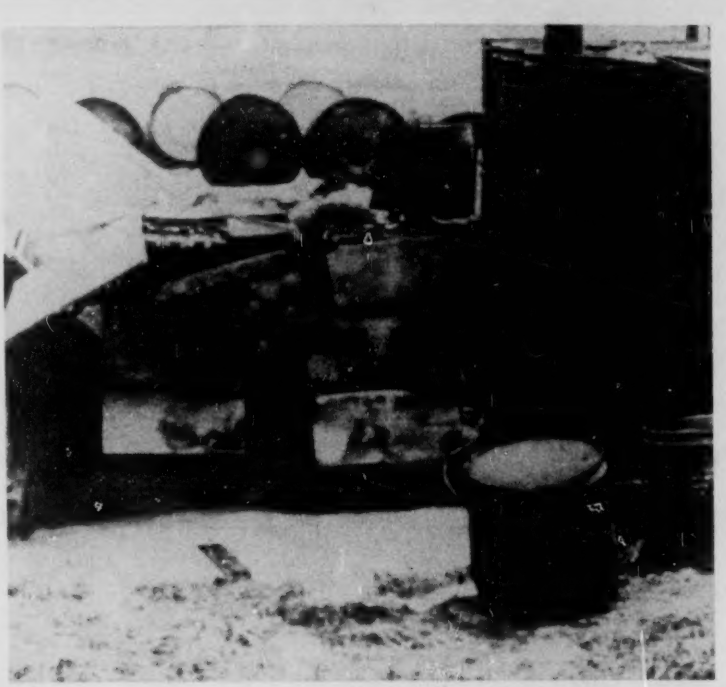


General Dacey. In the supply category, sir, the first slide is outdoor storage of Fort Irwin, California, where we are using an old rail car in an open yard to store equipment.



General **Dacey**. The next is a complete facility at Camp Zama, Japan, for ammunition storage.





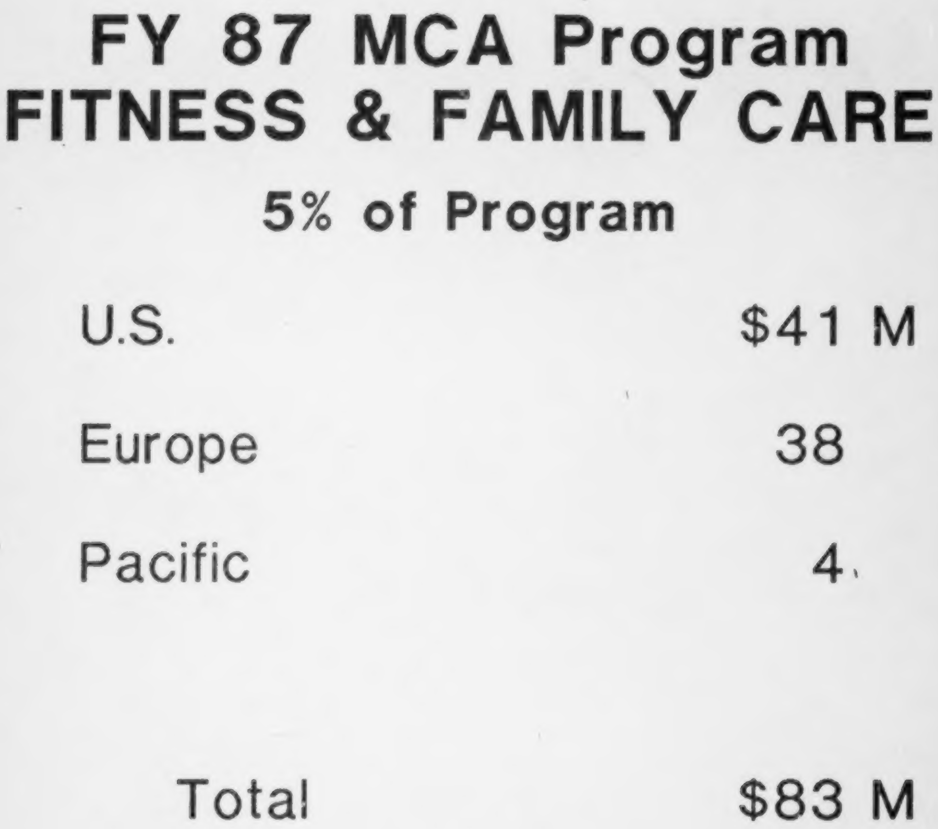
General DACEY. The next is another completed POL storage facility at Waegon, Korea, west of Tageu, and last is an open flammable material storage facility at Camp Castle, Korea, another project we hope to see in next year's program.

FITNESS AND FAMILY CARE

Mission --
Provide for Total Care of Soldier

		Physical Fitness	Child Care
Approved	FY 83	5	1
	FY 84	21	4
	FY 85	15	6
	FY 86	5	19
Requested	FY 87	7	19

General DACEY. In the family fitness and care, as you can see, we are asking for seven physical fitness centers and 19 child development centers in this program to continue the Army initative to wipe out the deficit in these areas by 1992.



FY 87 MCA Program FITNESS & FAMILY CARE

5% of Program

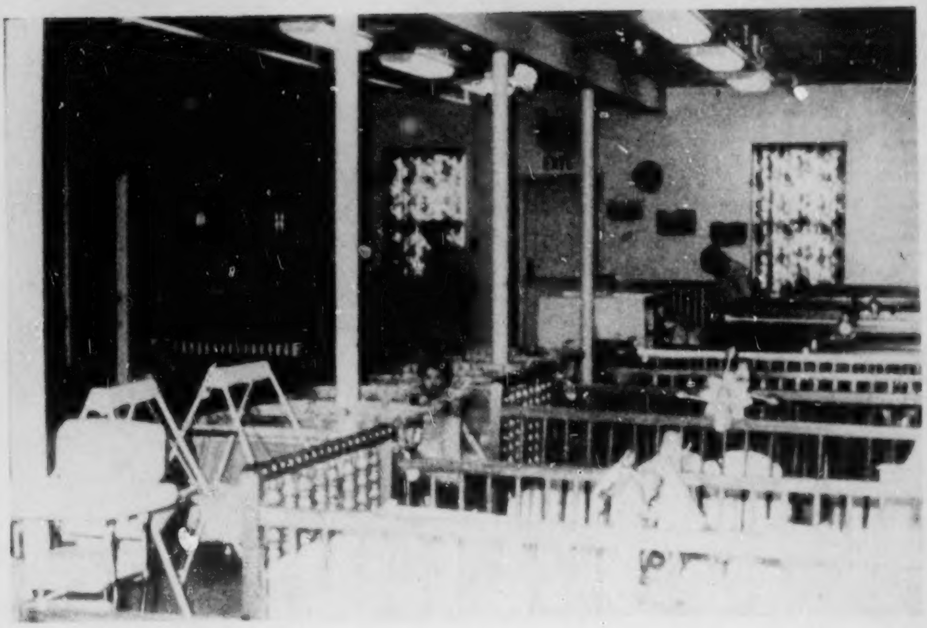
U.S.	$41 M
Europe	38
Pacific	4
Total	$83 M

General DACEY. The dollars by area are shown on this slide.

General DACEY. At Schweinfurt, Germany, there are a group of people hoping that we are going to provide a better facility so parents will have a place to leave them while they conduct further activities.

General **Dacey**. Next at Fort Lewis, Washington is drown proofing training going on in the physical fitness training center that you have provided to the soldiers in the 9th Infantry Division.

COOKING CENTER
ART & CRAFT CENTER
MUSIC CENTER



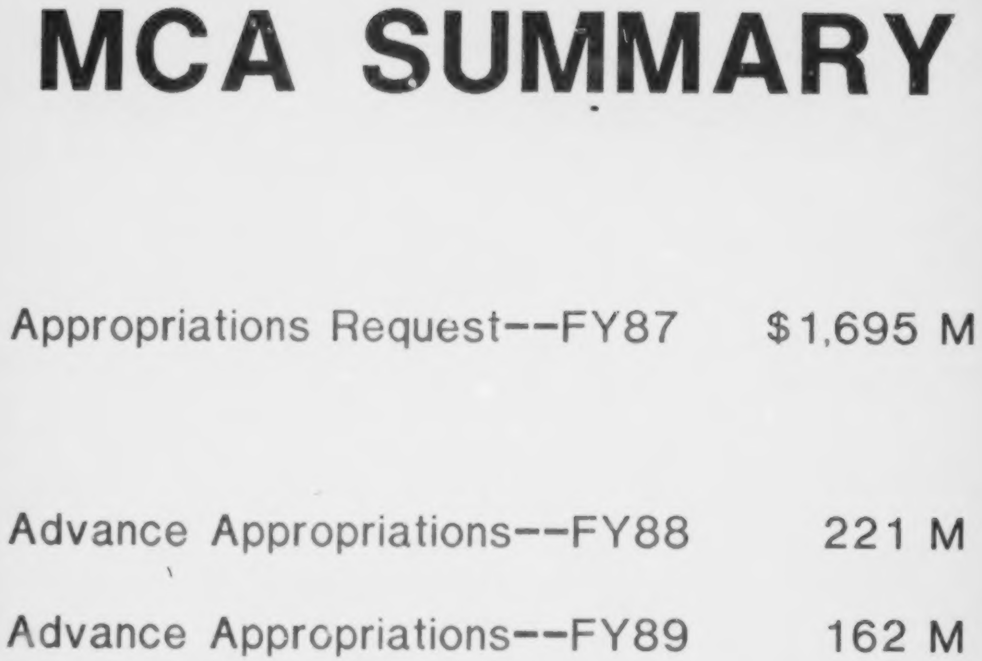
General DACEY. Next is a child development center, a very adequate facility at Fort Bragg, North Carolina. And then an overcrowded facility as you can see (lower slide) the cribs here, at Fort Riley, Kansas.

FY 87 MAJOR PROGRAMS

Fort Drum LID	$232 M
Fort Wainwright LID	138
Vilseck Upgrade	70
Pershing II	45
Ft Belvoir Realignment	43
Rheinberg Complex	35

General DACEY. This slide shows the highlights of our program for FY 1987. Of course, Fort Drum is at the top and, as we said earlier, we will go into that in more details later.

Other areas we will discuss in general questioning.



MCA SUMMARY

Appropriations Request--FY87	$1,695 M
Advance Appropriations--FY88	221 M
Advance Appropriations--FY89	162 M

General DACEY. The last slide again shows our MCA request for FY 1987 of $1,695,200,000 plus the request for advanced appropriations for FYs 1988 and 1989 to allow us to proceed in the most economic manner at Fort Drum, New York.

Sir, we will be glad to answer any questions the Committee might have.

RECORD VERSION

STATEMENT BY

MAJOR GENERAL ROBERT J. DACEY

ASSISTANT CHIEF OF ENGINEERS

OFFICE OF THE CHIEF OF ENGINEERS

DEPARTMENT OF THE ARMY

BEFORE THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

SECOND SESSION, 99TH CONGRESS

FY 87 MILITARY CONSTRUCTION PROGRAM

26 FEBRUARY 1986

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE APPROPRIATIONS
COMMITTEE

MAJOR GENERAL ROBERT JOSEPH DACEY

Major General Robert Jospeh Dacey was born 15 May 1935 at Watertown, New York. General Dacey is currently serving as the Assistant Chief of Engineers in The Office of the Chief of Engineers.

Prior to this assignment, he served as Commander and Division Engineer of the Corps' Southwestern Division in Dallas, Texas.

General Dacey is a 1958 graduate of Norwich University, Northfield, Vermont, with a bachelor's degree in business administration. He received a bachelor's degree in civil engineering from the University of Missouri in 1964, and a master's degree in procurement and contract management from George Washington University in 1972. He is also a graduate of the Army Command and General Staff College and the Army War College.

He has held numerous responsible command and staff assignments, both in the United States and overseas. These major assignments include serving as Deputy Chief of Staff, Engineer, U.S. Army Forces Command at Fort McPherson, Georgia; District Commander, St. Louis District, U.S. Army Corps of Engineers; Chief of Plans Division, Office of the Deputy Chief of Staff, Operations and Plans, Headquarters, U.S. Army Europe and 7th Army, Heidelberg, Germany; Chief of Management Division, Office of the Chief of Staff, U.S. Army, Europe and 7th Army; Staff Officer, Office of the Assistant to the Army Chief of Staff for Forces Development, Washington, D.C.; Executive Assistant, Office of the Chief of Engineers, Washington, D.C.; Construction Officer, 18th Engineer Brigade, Vietnam; Resident Engineer, St. Louis District, U.S. Army Corps of Engineers; and Construction Officer, 2nd Engineer Group, Korea.

General Dacey was assigned to the Chief of Engineers with duty as The Assistant Chief of Engineers, September 1985.

OPENING STATEMENT

Mr. Chairman and Members of the Subcommittee. I am Major General Robert J. Dacey, Assistant Chief of Engineers, Office of the Chief of Engineers, Department of the Army.

I am pleased to appear before the subcommittee to present the Army's portion of the annual Military Construction Appropriation Request. The fiscal year 1987 request sustains efforts started in prior years to improve the operational readiness of the Army while, at the same time, providing those quality of life improvements so necessary to attract and retain dedicated individuals to service in the Army.

MILITARY CONSTRUCTION, ARMY

The fiscal year 1987 MCA budget request includes a request for total obligational authority of $1,695,200,000 and a companion request for authorization. This includes total authorization for the 10th Mountain Division at $615,000,000 with the appropriation request for $232,000,000 in fiscal year 1987 and $383,000,000 in advance appropriations for fiscal years 1988 and 1989.

TABLE 1
FY 87 MCA

FACILITY CATEGORY	AUTHORIZATION ($000)	APPROPRIATION ($000)
10th Mountain Division	615,000	232,000
Auth of Advance Appropriations	(383,000)	-0-
Operations and Training	340,240	361,640
Maintenance and Production	298,970	304,470
Ammunition Plants	34,620	-0-
Research, Development, Test and Evaluation	47,780	47,780
Supply	78,420	82,770
Administrative	23,090	23,090
Housing	267,060	267,060
Community	83,040	83,040
Utilities	141,710	141,710
Planning & Design/Minor	151,640	151,640
Total	1,698,570	1,695,200

TABLE 2 shows the facility categories in which the funds are requested and the percentage of the construction dollars by category.

TABLE 2 - PROPOSED FISCAL YEAR 1987
MILITARY CONSTRUCTION, ARMY, PROGRAM
FACILITY CATEGORY SUMMARY

FACILITY CATEGORY	COST ($000)	PERCENTAGE OF TOTAL
10th Mountain Division	232,000	13.7
Operations and Training	361,640	21.3
Maintenance and Production	304,470	17.9
Ammunition Plants	0	0
Research, Development, Test and Evaluation	47,780	2.8
Supply	82,770	4.9
Administration	23,090	1.4
Housing	267,060	15.8
Community	83,040	4.9
Utilities	141,710	8.4
Planning & Design/Minor	151,640	8.9
Total	1,695,200	100.0

TABLE 3 shows the distribution of the appropriations request among major commands in the United States and overseas. Construction projects in the United States account for $956 million 56% of the budget request. Construction projects outside the United States total $587 million 35%. This year's request for planning and design and unspecified minor construction totals $152 million 9%.

TABLE 3 - PROPOSED FISCAL YEAR 1987 MILITARY CONSTRUCTION, ARMY, PROGRAM COMMAND SUMMARY

COMMAND	COST ($000)	PERCENTAGE OF TOTAL
INSIDE THE UNITED STATES		
Forces Command	564,590	33.3
Training and Doctrine Command	141,820	8.4
Army Materiel Command	169,790	10.0
Western Command	14,900	0.9
Military District of Washington	3,800	0.2
US Military Academy	35,900	2.1
Other	7,400	0.4
Military Traffic Management Command	650	0.1
Information Systems Command	17,200	1.0
TOTAL	956,050	56.4
OUTSIDE THE UNITED STATES		
US Army, Europe	404,580	23.9
Eighth US Army, Korea	139,160	8.2
Strategic Defense Command	20,600	1.2
Forces Command	14,220	0.8
US Army, Japan	1,200	0.1
Intelligence and Security Command	7,750	0.5
TOTAL	587,510	34.7
OTHER		
Planning and Design	131,640	7.7
Unspecified Minor Construction	20,000	1.2
TOTAL	151,640	8.9
Total obligational authority requested:	1,695,200	100.0

Seen another way, fifty-four percent of this year's request is for support of new missions and current mission shortfalls not fully satisfied in prior years (TABLE 4). The need to provide facilities for new systems fielded over the last few years highlights this segment. In addition, thirty-eight percent of our request is for replacement and modernization of the Army's worldwide inventory of aging facilities. Even though MCA funding has increased over the past few years, the rate of increase has not been sufficient to overcome both the overaged, substandard facilities inventory and the additional costs to support the new systems, thus we have been unable to reduce the Army's backlog of construction. Our current backlog amounts to $26.8 billion -- a $1.0 billion increase over what I reported last year. In an attempt to significantly contain this backlog, current planning calls for maintaining military construction funding at increased levels over the next five years. The balance of the program (8%) is for planning and design.

TABLE 4
FY 1987 MCA BUDGET REQUEST

	PERCENT	(MILLION)
New Mission	42	713
Current Mission	12	212
Replacement/Modernization	38	638
Planning & Design	8	132
	100	1,695

PROGRAM HIGHLIGHTS

With the Committee's permission, I would like to talk about facilities strategy as it effects soldiers and their families - where they live and where they work. The issue before us is how best to provide quality living and working conditions within available resources to attract, train, equip and retain soldiers.

FACILITIES STRATEGY

The Military Construction, Army (MCA) program, which constitutes only 2.4 percent of the total budget request, is one of the principal means by which the Army pursues the goal of improving the living and working conditions of our soldiers and their families. Military construction funds finance the construction, rehabilitation or replacement of the facilities the soldiers need to live, train and maintain. Twenty percent of the fiscal year 1987 construction request will provide new or upgraded barracks for over 14,000 soldiers, along with dining and community facilities. Over thirty-five percent of the request provides for improved operations and training facilities such as ranges, instructional facilities, security upgrades and facilities for new divisions at Fort Drum and in Alaska. Twenty-five percent of the request provides for improved maintenance, supply and administration facilities. The remaining 20 percent of the request provides funds for research and development facilities, improved utility systems, land purchases, planning and design costs and minor construction. The payback of this investment account in terms of recruitment, retention, readiness and efficiency far exceeds its actual cost. Our construction program is more than a request; it is an obligation to our nation and our soldiers.

We cannot afford to fall behind these minimum goals. We have now recognized from our experience in the 1970's that time and operations consume our facilities capital and that these costs must be paid - now or later. Paying later has required significant growth in the military construction budget. We must now attempt to maintain this position so that we can pay as we go. With your permission I would like to briefly discuss the program from our soldier's point of view, that is - how the program affects where he or she lives, works and trains.

LIVING CONDITIONS

The Army's Quality of Life Program, intended to foster improved morale and individual readiness, continues to receive widespread support in this year's request with over 20 percent of the total construction request allocated to troop housing, and community facilities. Troop housing and related facilities comprise the largest category in our request at $267,060.00. A total of 4,185 unaccompanied enlisted and 364 unaccompanied officers quarters are to be provided in the U.S. and 8,938 unaccompanied enlisted and 250 unaccompanied officer quarters overseas.

The Army is moving ahead to meet its commitments to soldiers and their families with due consideration to budget constraints. The Morale, Welfare and recreation projects in the community facilities program exemplify the Army's commitment to fixing existing assests where it is cost effective to do so, fixing the worst hurts first, particularly in overseas and remote locations, creating standard design and refining designs to save construction costs. Six projects combine functions to reduce the square footage required, compared to what it would have been if two or more buildings were to be constructed. Space to be jointly used includes lobbies, hallways, restrooms, classrooms, mechanical rooms and parking.

We believe we are making progress and will continue to do so each year with the help of Congress.

Our request includes a mix of twenty-eight critically needed community facilities ($78.3 M), that the following display pertains.

	PROJECTS	
	Over $1.0M	Under $1.0M
Child Devel Ctrs (stand-alone)	7	7
Combination Projects		
Child Devel/Community	1	
Child Devel/Religious Ed	3	1
Physical Fit/Community	1	

Physical Fitness Training Ctrs	6	
Chapel/Religious Ed	1	
Chapel	1	
	20	8

Standard design used to the maximum extent possible.

PROJECTS		
	Overseas	CONUS
Child Devel Ctrs	9	5
Combination Ctrs		
Child Devel/Religious Ed		1
Child Devel/Religious Ed		4
Physical Fitness/Community	1	
Physical Fitness Trg Ctrs	3	3
Chapel/Religious Ed	1	
Chapel		1
Total	14	14

Ten projects are in remote locations.
Three projects are alterations of existing structures.
Ten projects are replacements of deteriorated (mostly WWI) facilities.

WORKING AND TRAINING CONDITIONS

Our FY 1987 request emphasizes improving the working and training conditions of our soldiers. These two categories include $593,640,000 or 35.0 percent of the Army's request. At $304,470,000 our request for maintenance facilities is second only to our request for improvements to working and training conditions. The structure most frequently sought in the maintenance facility area is the tactical equipment shop. This structure provides the ability for each individual unit to maintain its equipment in a high state of readiness without penalizing the soldier by forcing equipment maintenance to be done exposed to the raw elements, dirt and mud or in unsafe and dilapidated facilites. Our request this year will provide 22 of these facilities and go a long way toward eliminating substandard working conditions and mission shortfalls. Thirty-two projects totaling $214,550,000 provide for upgrading of existing and construction of new training facilities and ranges. These projects will provide 7 ranges, six simulators, and 19 instructional facilities. Our request continues our effort to provide multi-purpose range complexes at each Division post and overseas as well as new facilities for training for urban operations. These complexes are necessary to effectively train units in intergration of modern weapon systems on the battlefield.

GEOGRAPHICAL DISTRIBUTION HIGHLIGHTS

UNITED STATES

Our budget request inside the United States this year provides $956 million in construction projects. The projects are located at installations in 30 states and the District of Columbia. Projects totaling more than $40 million in construction are located in each of the following states: Alabama, Maryland, Pennsylvania, Missouri, and New York. Fort Rucker, Alabama, Aberdeen Proving Ground, Maryland, Fort Leonard Wood, Missouri, New Cumberland Army Depot, Pennsylvania Fort Wainwright, Alaska and Fort Drum, New York, are scheduled for the largest installation level investments.

The largest single project in the United States is The 10th Mountain Division Facilities - Ph I at Fort Drum, New York. This project will provide construction of various permanent real property facilities to house, train, maintain, and support an Army Division of 10,380 soldiers to be stationed at this installation.

BASE STRUCTURES

The Army actively and continually seeks opportunities for economies and efficiencies in its base structure. Example of current and recent initiatives include:

- In accordance with House Report 99-275 and House Conference Report 99-380, a 100% review of overseas installations was made to assess their viability for retention and to determine if any could be studied for elimination. A report was submitted to the Congress in January, 1986.
- A separate, ongoing review of the entire base structure in the 50 States.
- Participation with the Office, Secretary of Defense in the nomination of installations to be studied for possible closure.

EUROPE

Our fiscal year 1987 program for the United States Army, Europe (USAREUR) totals $404,580,000. It is one of the largest major Army command programs, however, in relation to total requirements it is an auster program especially when considered in light of the deplorable conditions in which many of our soldiers live and work. Marked improvements have been made, thanks to the strong support of Congress and the Administration. This program will continue that momentum and provide additional substantial improvements. It represents a prudent balancing of requirement and responsible stewardship of constrained resources.

Emphasis in the program is on improving the soldiers' living conditions with over 25 percent of the request allocated to construction of barracks, dining, and community facilities. The barracks will provide 1,736 enlisted personnel and 66 officers in Germany, and 423 enlisted personnel officers in Turkey with modern living conditions.

We are not neglecting our committments to improve the readiness of our forces in Europe. In excess of 70 percent of the request is allocated to improving facilities associated with operations and training, maintenance, utilities, and supply. These new facilities will not only permit the deployment of new weapons, they will also substantially improve the conditions of the areas where the soldiers spend much of their working day.

WESTERN PACIFIC

The Army continues to support its commitment in the Western Pacific with a $139,160,000 fiscal year 1987 MCA request in support of the Eighth US Army in Korea and $1,200,000 for the US Army, Japan. The majority of the Korean request is allocated to replacing the deplorable facilities used by the 2d Infantry Division, which is deployed near the Demilitarized Zone (DMZ). The bulk of our combat soldiers and equipment are here but less than 50 percent of these soldiers are adequately housed. This request will provide housing for 4,772 enlisted and 453 officer personnel. Let me emphasize, that while our construction standards at these locations are austere, they are consistent with enhancing individual, unit, and equipment readiness within the realities of an unaccompanied overseas environment.

KWAJALEIN MISSILE RANGE

In the fiscal year 1987 MCA budget request, we have included $20.6 million for construction to support the Kwajalein Missile Range. The four projects include two to support test operations with a tracking facility and modification of the mission control center costing $2.4 and $5.1 million, respectively, and an unaccompanied officers' housing project for $11.0 million, and a harbor channel dredging project for 2.1 million, all are located on islands in the Kwajalein chain.

SPECIAL PROGRAM HIGHLIGHTS

ARMY ENVIRONMENTAL AND ENERGY PROGRAM

The fiscal year 1987 budget request for pollution abatement projects continues the Army program to bring our installations into compliance with water and solid waste regulatory requirements. In this year's program, there are three pollution abatement projects in the U.S. totaling $9.6 million; CONUS projects are located at Badger AAP, Wisconsin, Fort Carson, Colorado and Fort Sam Houston, Texas. We have one project located at Baumholder, Germany. This years Energy Conservation Investment Program includes one project at Aberdeen Proving Ground, Maryland totaling $.750 thousand. The project will consist of 26,675 linear feet of piping to recover the existing condensate, which is presently discharged on grade or into the storm sewers, and reuse it to preheat boiler feedwater. Implementation of this project will result in an annual energy cost avoidance of $115.5 thousand.

AREA ORIENTED DEPOT (AOD) MODERNIZATION

The Area Oriented Depot (AOD) modernization program will provide the Army wholesale supply system with state-of-the-art facilities capable of sustaining a high level of support to the modern Army well into the next century; during peace and mobilization. The AOD's at Sharpe Army Depot, California, New Cumberland Army Depot, Pennsylvania, and Red River Army Depot, Texas, process 92 percent of all of the Army's materiel release orders, primarily repair parts.

Our FY 1985 program appropriation provided $49 million for the first Distribution Center facility at Sharpe Army Depot and $7.8 million for the land acquisition and site preparation required for the second Center at New Cumberland Army Depot, Pennsylvania. The FY 1986 appropriation provided $15.0 million of the $88.0 million required for the construction of the Distribution Center facility at New Cumberland Army Depot. The FY 87 program request contains $52.0 million for the continuation of construction with the remaining $21 million to be requested in the FY 1988 program. The FY 1987 program does not include the Distribution Center at Red River Army Depot as the Army is studying Third Party options.

LIGHT INFANTRY DIVISION

As part of the Army's overall program to modernize its forces, five light infantry divisions will be formed. The five divisions are being formed by converting two active component divisions (at Fort Ord, California, and in Hawaii); forming two new active component divisions (at Fort Drum, New York, and in Alaska); and, forming one new Army National Guard division (at Fort Belvoir, Virginia). The converting divisions will involve minimal construction requirements. The 6th Infantry Division has been activated in Alaska using the existing 197th Infantry Brigade as a nucleus and will be split between Forts Wainwright and Richardson.

The 10th Mountain Division has been activated at Fort Drum, New York. Significant progress has been made in the past year towards achieving the Army goal of quality facilities, in the shortest time, at the least cost to the government. A major construction effort is now underway to provide housing for families, support facilities and utilities. The Army proposal of full authorization and advance appropriations will continue this initiative by the most efficient contracting and construction methods available. This proposal will permit economies of scale and construction efficiencies that will result in modern facilities, consistent with unit activation requirements, and at significant savings to the government.

CONGRESSIONAL CONCERNS

During hearings on the fiscal year 1986 MCA request, the Congress voiced concerns on which I would now like to report.

The committee again expressed their desire to see Packaging of Projects, both by location and by type of facility. In response to your direction, the Army has selected the Darmstadt community in Germany for consolidating projects into a single construction contract overseas for FY 86. Seven projects are included in the package totalling approximately $26 million. In CONUS, we have packaged, by type of facilities, two tactical equipment shops at Fort Stewart/Hunter AAF, two child development centers at Fort Knox, and three child development centers at Fort Lewis. In preparation for the FY 87 budget submission we have combined similar type facilities for construction contract award at nine locations. With regard to Alternative Construction Methods; three projects have been identified in the FY 87 budget request to be executed using one-step turnkey procedures and one project will utilize architectural fabric technology.

Regarding your concerns and changes in financial management procedures; we are still evaluating these intiatives and their impact on program execution. We will work closely with you regarding any necessary changes as we gain more experience with the new system.

SUMMARY

Mr. Chairman, in summary, the fiscal year 1987 Military Construction, Army, budget request for appropriation of $1,695,200,000 reflects the needs of the service and supports the programs presented by the Secretary of the Army and the Chief of Staff. Emphasis of the program is focused on readiness of our troops; quality of life of our servicemembers through improvement in housing, family and fitness centers,and training and maintenance facilities; and ridding the inventory, in an orderly manner, of deteriorated World War II temporary buildings. Approval of this request will continue the efforts of the Army, and the Congress, to provide modernized facilities enabling us to attract and retain quality soldiers and maintain operational readiness and fighting ability.

Sir, this concludes my statement. I would be pleased to answer any questions or arrange for answers to be inserted in the record.

Mr. **Hefner**. Thank you, Mr. Shannon and General Dacey.

GROWTH IN THE ARMY'S PROGRAM

Mr. Shannon, you indicated that the 3 percent real growth in the fiscal year 1987 budget will not arrest the growth in the backlog.

If I may, let me cite some figures showing how this Committee has worked with the Army since 1980 in trying to reduce the backlog.

For example, from fiscal year 1980 to 1986, the Army's military construction totals have increased by 134 percent. This is a rather significant increase. With all of this growth over the last six years, do you not think some leveling off is in order? And here is my question. If Congress were to maintain a funding level at zero percent real growth over the next five years, would that level get all of our soldiers out of World War II barracks by 1991?

Mr. **Shannon**. It might not, Mr. Chairman. It might not get them out of World War II wood simply because there are other priorities that we would have to look at. It is just that you have to make some tough decisions with what will be in the future years and the impact what Gramm-Rudman reductions would have. I just do not think we could promise you that we could have our soldiers out of World War II wood by 1991.

With building of the facilities at Fort Drum, and the 6th Division and the other priorities that would have to be considered, we might have to extend our housing objective.

Mr. **Hefner**. What are some of the problems that you see if no growth levels were to be maintained for the next five years?

Mr. **Shannon**. Besides the possibility of continuing to have our soldiers in World War II wood we might have to delay maintenance and other types of facilities. We would have to make some tough decisions about new weapons systems and the facilities that go along with them. We would have to take each year at a time and try to chip away at that backlog.

[**Clerk's note**.—Additional information follows:]

Manpower forecasts predict that attracting quality recruits from a shrinking pool of eligible men and women will be more difficult than in the past. Excellent facilities contribute directly to recruitment and retention.

Congressional support in the past several years has improved the living and working conditions of the Army's soldiers but much more work remains to be done. Reduced resource levels cause us to lose momentum and may be interpreted as a lack of concern. This could have a serious impact on recruitment and retention.

Other essential renewal projects which affect readiness and recruitment will also have to be deferred. The Army's research and development facilities have been relatively untouched since the 1940's. Medical laboratories, clinics and hospitals require modernization upgrades and replacement. It is no coincidence that recruiting and retaining scientists, doctors and other highly technical professionals is difficult.

Finally no growth levels will also cause deferrals of projects which could provide significant productivity gains or economic savings.

Mr. **Hefner**. Well, are you reevaluating your goals and initiatives just in view of the budget constraints?

Mr. **Shannon**. I think we have to do that each year.

Mr. **Hefner**. Well, are you doing it?

Mr. **Shannon**. We are doing that. And we did that this year, and with the decision of the Secretary of Defense and the Secretary of the Army to place the 10th Division on line, we had to make some tough decisions. And we will continue to make tough decisions.

Mr. **Hefner** A couple of questions for the record.

[Clerk's note.—The following questions were submitted by Mr. Hefner:]

Question. What is causing the backlog to grow when appropriated amounts are increased each year? Certainly, using appropriated funds to build commissaries and exchanges will further aggravate the backlog.

Answer. The gradually increasing amounts appropriated over the last few years have only been able to slow the rate of growth in the backlog but have not been able to stop its growth. We simply have not been putting enough money into our construction budget. The following factors contribute to backlog growth:

1. Annual renewal requirement. 2. Evolving standards and criteria. 3. New requirements.

Each year some facilities deteriorate to the point where they need renewal or replacement and thus enter the backlog for the first time. Based on a modest fifty year life for facilities the Army-wide annual renewal requirement is in excess of $2 billion per year. When facilities are replaced current day standards are used which add to the cost. For example, a backlog in barracks ten years ago had a building with three to four people in a room. Today, the standard is a maximum of two soldiers to a room.

Advances in technology have also increased the cost of replacement, modification, and new construction that is not reflected in the budget year. Raised floors, hardened walls and security measures are now requirements for sophisticated communications and ADP facilities. The cost to retrofit and outfit a facility to computer generation standards has significantly increased the cost of facilities.

Finally, modernization initiatives and changing world conditions impose new requirements. Examples are the need for the National Training Center, Anti-Terrorism and security upgrades. The range backlog of ten years ago was based on a piece of equipment that fired at a stand still and moved slowly. Today's ranges support equipment with speeds exceeding forty MPH and capable of firing on the move. Modernizing facilities with sophisticated equipment increases the facilities backlog costs.

Funding commissaries and PX's in accordance with the DoD policy will increase MCA requirements but not significantly.

The annual amounts vary for standards, criteria changes and new requirements but experience indicates that the backlog will continue to grow unless we can increase the MCA budget to around $3 billion a year.

Question. Is it possible that the backlog is a wish list but would be considerably less if evaluated under a different set of circumstances such as limited budgets?

Answer. In no way should the backlog be characterized as a wish list. Only valid recognized requirements are included. The effect of budget constraint is to make us choose which valid projects will be deferred. Thus, we are forced to endure major facility deficiencies and precluded from making smart investments which could produce significant productivity improvements or economic savings.

[CLERK'S NOTE.—This concludes Mr. Hefner's questions.]

FUNDING LEVELS

Mr. HEFNER. The fiscal year 1987 budget request totals for funding of the two new bases at Fort Drum, New York, and Fort Wainwright, Alaska, represent about 25 percent of the total military construction budget for the Army and about 40 percent when compared with the total request within the United States. If the Committee were mandated to hold to a freeze or zero real growth level, these percentages would be even higher.

What do you anticipate the makeup of the Army's budget will be in fiscal years '88 and '89 if the Army's budget were to be held to zero percent real growth? Would not the funds for these two bases continue to dominate the outyear budgets?

And I might also add that some real consideration is being given to this possibility of no growth. I am on the Budget Committee, and we are trying to find ways to get to our numbers in a fair way.

Mr. SHANNON. If we do that, Mr. Chairman, those bases would not come on line when we anticipate they will come on line. We would have to stretch those bases out. And we would have to go back and look at the priorities and go from there.

But clearly if that is the mandate of the Congress, then we would not be able to bring those bases on line as we are presently planning.

Mr. HEFNER. I understand. But they would still—continue to dominate for the next couple of years?

Mr. SHANNON. They probably would, Mr. Chairman, but we would have to cut back. They could not be the percentage that they are now of the budget.

Mr. HEFNER. But they would still be the dominant factor?

Mr. SHANNON. I think with the decision made by the Secretary of Defense, the Secretary of the Army is going to bring those divisions on line. The facilities for these divisions have to be given priority because they are needed to field those divisions which are required to carry out the strategy of the Secretary of Defense. If it is decided to drag out the facilities then the division fielding objective will be delayed.

Mr. HEFNER. Well, you got a $92 million increase over last year's appropriated amount which is about 3 percent real growth.

For that portion of the budget request within the United States, it represents a 1 percent reduction, while for projects overseas the request represents about a 22 percent increase.

[CLERK'S NOTE.—The following question was submitted by Mr. Hefner:]

Question. What impact would zero percent real growth have on bases overseas given the commitment to larger investments at Ft Drum and Ft Wainwright.

Answer. The Army's military construction strategy is to correct deficiencies worldwide according to prioritized requirements. The strategy is to program barracks, hardstands, tactical equipment shops, and training facilities first and then program critical quality of life initiatives.

Zero percent real growth constrains how much of the military construction strategy can be achieved worldwide. Only the highest priority overseas and CONUS construction projects would be budgeted under a zero growth budget.

EFFECTS OF DOLLAR DEVALUATION

Mr. **Hefner**. Now, how much of this increase overseas can you directly attribute to the dollar devaluation and how much to real growth?

Mr. **Shannon**. I am going to have to pass that one to General Dacey on the details of where we stand on the dollar devaluation Mr. Chairman.

So if I may, I will pass that to General Dacey.

General **Dacey**. Sir, our dollar, as we look right now, when we formulated the budget, is 2.46 deutschemarks to a dollar. This would buy us about 80 cents on the dollar of what we were buying a year ago in the same program. That equates to a $71 million increase in order to purchase the same level of facilities in Europe.

As I mentioned earlier, the deutschemark is 2.24 dollars today. We need about a million and a half dollars at our program level for each pfennig drop. So to get from 2.42 to 2.24, that is another $20 million drop in purchasing power.

As we look in real terms of purchasing power, our request, in answer to your question, sir, essentially all of the apparent increase in Europe is attributable to the dollar/deutschemark exchange rate change.

Mr. **Hefner**. But you do not know how it breaks down in percentages?

General **Dacey**. Into percentages, sir?

Mr. **Hefner**. Yes. That was my question I believe.

General **Dacey**. Sir, I will be more than glad to provide a chart for you for the record. At today's deutschemark exchange rate, we will buy $90 million less worth of program than we would a year ago. So when we take a look at the program it's value is about a 20 percent decrease in what we can buy in Europe and when you redistribute that on a percentage basis to the other areas of the world. I would be glad to submit that information for the record if you would like, sir.

Mr. **Hefner**. All you are going to do is defer your projects and hope that the currency rate reverses itself.

General **Dacey**. Sir, we will not have any choice. Any flexibility that we had in the program, as we briefed you last week, has been lost with the application of the Gramm-Rudman to '86 and prior years. Consequently, unless we get exceptional bids on our project, we will have to delete projects and reduce scope, and perhaps come back to this Committee with some reprogramming requests if we can find funds to address other projects.

[Clerk's note.—The following question was submitted by Mr. Hefner:]

Question. Provide for the record a list of projects that may have to be deferred because of the dollar devaluation against the mark.

Answer. At this time, no projects will be cancelled because of the dollar devaluation against the mark. Each year, requirements change and a few projects are cancelled. As this happens, we would hope to use funds from those cancelled projects to fund the increased costs due to currency devaluation.

OCONUS FUNDING

Mr. **Hefner**. Well, in essence, your fiscal year '87 request is this, 40 percent of the funds requested inside the United States are for two bases. And you have not decreased the level overseas, therefore assuming you have a 26 billion backlog, many other projects inside the United States were squeezed out this year and will be squeezed out next year.

Is that a fair statement?

Mr. **Shannon**. That is a fair statement, Mr. Chairman.

General **Dacey**. In reference to overseas, sir, as you pointed out earlier, the Committee has been most generous in supporting us with facilities modernization to correct deficits that occurred during the seventies, when we were not making necessary investments to renew our installations.

We did the ones in CONUS first. And now it is time to do the ones overseas. We are caught in a time where we are proceeding with projects for housing our soldiers and their families and doing maintenance facilities at the same time, along with trying to do the two Light Infantry Division bases. And it does present a squeeze as you pointed out, sir.

Mr. **Hefner**. Well, someone could look at this budget and say Congress will not add projects overseas, but they are likely to add projects in their districts. So, therefore, let us squeeze the domestic size, and I am not accusing you of this, but it could raise some suspicions here in the Congress.

Mr. **Shannon**. Well, let me state up front, Mr. Chairman, that was not the case when I had my inputs in the budget, I can assure you that was not the intent. This is how we really see the problems and how we should attack them.

USE OF APPROPRIATED FUNDS FOR COMMISSARIES AND EXCHANGES

Mr. **Hefner**. Why are appropriated funds requested for a commissary and exchange at Vilseck when non-appropriated funds will be used to build a commissary and exchange at Fort Drum?

Mr. **Shannon**. Simply, Mr. Chairman, we could not get a request and have the time to get the request over to use appropriated funds for the commissary and PX facilities at Fort Drum. So to bring those facilities on line so they would be there when the other facilities come on line, when the troops are there, it was a decision made by the Secretary and the Chief of Staff to go with the request for non-appropriated funds.

Mr. **Carton**. Sir, the family quarters that you had approved a year ago in the continuing resolution are under construction. They will arrive before we can get a regular MCA project to you and through the system.

It was decided by the Secretary then that in order to supply the needs of the families and the unaccompanied troops that were moving into the World War II barracks, that we would fund the commissary and PX out of non-appropriated funds as an exception to OSD policy when we initiate a new base.

Mr. **Hefner**. Are you going to request appropriated funds for the construction of a commissary and exchange at Fort Wainwright?

Mr. **Shannon**. We are, sir.

Mr. **Hefner**. We have some concerns about this procedure. Of course we will be expressing those as we go along.

I have no further questions. I have some for the record. I may have some later, but I think at this time Mr. Coleman, may have some questions.

[Clerk's note.—Questions submitted by Mr. Hefner follow:]

Question. The Army is requesting $15.3 million for construction of a commissary and exchange at Vilseck, Germany. How does the Army justify the use of appropriated funds for these facilities?

Answer. Appropriated funds, in the amount of $15.3 million, are being requested in Fiscal Year 87 for commissary and post exchange facilities to support the increased mission in Vilseck, Germany. Except in the case of new and increased mission requirements, facilities of this type are built with funds generated from Commissary Surcharges and revenues from AAFES stores. These soldier generated funds are collected for the replacement of facilities and are not intended to provide the initial capitalization for new requirements.

Question. Is the justification for use of appropriated funds based on DOD policy?

Answer. The justification is based on DOD policy and guidelines contained in DOD Directive 1015.6, dated 3 Aug. 84, which states that appropriated funds may be used in lieu of nonappropriated funds for construction, when the requirement is generated by a new or significantly increased mission.

Question. What is the position of the Subcommittee on Readiness relative to the use of nonappropriated funds for construction of the commissary and exchange at Vilseck?

Answer. The Morale, Welfare and Recreation Panel of the HASC Readiness Subcommittee, chaired by Representative Dan Daniel, has been a strong supporter of the use of appropriated funds for new and increased mission requirements, as outlined in the DOD Directive 1015.6.

Question. What is the basis for using $1.4 million appropriated funds for planning and design of a commissary and exchange at Fort Wainwright, Alaska?

Answer. Based on current OSD policy, and DOD Directive 1015.6, which would allow funding of the Fort Wainwright commissary and post exchange with appropriated funds, the Army has submitted a $1.35 million request for design authorization using appropriated planning and design funds. These facilities are currently programed in the Fiscal Year 88 Military Construction, Army (MCA) Program at a cost of approximately $28 million.

[Clerk's note.—This concludes Mr. Hefner's questions.]

FORT DRUM AND FORT WAINWRIGHT

Mr. COLEMAN. Mr. Chairman, I think what I need to get, if I could, is the background again on Wainwright and Drum and the importance that we have attached to these bases. I say that because we have shown about a 21 percent increase in the Army Military Construction budget request, and when you take those projects out, you show about a 16 percent decrease in your overall request.

Could you give me a quick review about Drum and Wainwright as to its strategic or critical importance?

General DACEY. Sir, General John Greenway is with us today and he can remark on those areas.

Mr. SHANNON. We have the option for General Greenway to do that. We can do that right now, Mr. Coleman.

Mr. COLEMAN. In 25 words or less, is fine.

Mr. SHANNON. General Greenway could do it best, Mr. Coleman.

General GREENWAY. We really have two different situations here in some respects.

In the case of the 10th Mountain Division, that is one of the three active Light Infantry Divisions, the other two being the 7th and the 25th that are already up and going.

The 10th is the third of those, based on need for a rapidly deployable force to respond to contingencies worldwide or to hopefully head off contingencies before they arise, that the Army has established since 1983 as a requirement strategically.

Now, the 10th Division is in three brigades like the other two divisions except the only difference is, in the 10th, one of those is in a reserve component, the other two are active components.

These divisions not only have the capability to respond rapidly to contingencies, but to deploy to areas such as NATO where we would look for conventional war type of scenario, and have that capability as well.

So the 10th is a rapid deployability force that we feel is essential to round out the rest of our light forces, to include both the airborne, air assault and so on.

The 6th Division, we are really looking at a different threat as its primary orientation. Looking at the threat towards the State of Alaska, primarily under conventional war conditions and the State of Alaska's proximity to the Soviet Union, to the threat against critical installations which number upwards of about 81 throughout the State of Alaska. The threat that we see that could attach to those under general war conditions, conventional war conditions is significant. And we feel that the single brigade that is in Alaska now is very marginal in its capability to respond to the kind of threat that we see coming in against those very important facilities.

And so its primary orientation is to increase the responsiveness of forces against that threat that could exist there under conventional war conditions.

It is also a division that, should the need arise, may deploy elsewhere, but its primary orientation is the defense of the State of Alaska.

Mr. COLEMAN. It does not have a reserve component?

General **Greenway**. I should have mentioned that. It also has a reserve component brigade. It has two active component brigades and one reserve component brigade, like in the 10th.

Mr. **Coleman**. And the location of Fort Drum is because of the location of the reserve brigade?

General **Greenway**. No. The location for Fort Drum was established and then the brigade was later selected to round out that division based on the location of the division in the first place. In other words, the division location came first and then to round out, the brigade was selected later.

Mr. **Coleman**. It would occur to me and people that might ask the question, that this kind of an expenditure at Fort Drum for facilities, might seem excessive when people could legitimately ask why can you not use existing facilities at some other location. Is that a legitimate question?

General **Greenway**. We went through in 1983 and '84, primarily 1984, an exhaustive selection process in arriving at a location to station the 10th Mountain Division.

We considered essentially all of the active component installations in the United States when we went into that. The things that drove us toward Fort Drum were that it was an installation that could be developed into a post where you could put an entire light division. There were not other active installations that we have now or will have in the foreseeable future in which we would be able not only to station a division there but provide it with the training area and facilities that is the kind of area that you have at Fort Drum.

So I can discuss at some length why that was chosen.

SECTION 801 AND 801 HOUSING

Mr. **Coleman**. Well, I do not want to take the Committee's time, and I know the Committee has probably heard some of that before.

If I need any other information, I am sure I can get that.

And I know that the Subcommittee, Mr. Chairman, will be holding separate hearings on family housing, but I did want to bring up one question with respect to the Section 801-802 build to lease housing issue.

In your budget justification, you state that the Services are seeking permanent authorization for the 801-802 housing. And you listed, I think, 13 locations for 801 housing totaling 6,600 units to be leased at a cost of $26.2 million.

My question is what happens if the authorizing committees decide not to authorize the 801 housing? Is there a priority in which those 13 projects are listed?

Mr. **Shannon**. We do have a priority Mr. Coleman. If they decide not to do that, we would relook that priority, and then we would go to the normal appropriation process to bring those houses on line in the outyears when we could.

Mr. **Coleman**. So, in other words, if the two were authorized by authorizing committees, then you would know which two to begin, is that right?

Mr. **Shannon**. If we had to go through that process, yes, sir.

Mr. **Coleman**. You already know that?

Mr. SHANNON. Yes.

We know that now. If they decide not to do that, then we would relock that, and probably come with the same priority; however we may not come with that same priority.

Mr. COLEMAN. Well, I noticed there is one 801 project for some 300 units at Ft. Hood. Is that the same project that was authorized in '85?

Mr. SHANNON. I cannot answer that. I defer to General Dacey.

General DACEY No, sir.

Mr. COLEMAN. It is a new project?

General DACEY. Yes, sir.

Mr. COLEMAN. We are going to hold a separate hearing, are we not, on family housing issue?

Mr. HEFNER. Yes.

THIRD PARTY FINANCING

Mr. COLEMAN. For the record, could you state the time involved in reporting on third-party financing for projects? I am particularly concerned with the Red River Central Distribution Center of the Red River Army Depot.

Last year, the authorizing committee held up authorization pending a study of the potential for third-party financing. I would like for the Committee to get a status report on that study and an estimate of how far off it will be before this project can be moved foward.

I realize that there is funding for security upgrade, but I am concerned that continued delay in initial construction could result in additional costs.

According to a colleague of mine, continued delay in Phase 1 of the project could result in an increase of as much as $5.7 million in construction costs for each year of slippage; $16.5 million in savings will be lost by way of continuing a less efficient distribution system.

I would like for you to comment, if you would, for the record on that particular point.

Mr. SHANNON. I will comment for the record. But let me state publicly, Mr. Coleman, to you that I will expedite that. I am as interested in that project as you are. And we will expedite it and get back to you on that one. I will give it my personal attention.

[Information follows:].

The Huntsville Division Corps of Engineers has been assigned the task of doing the Third Party Financing Study for the Central Distribution Center Red River Army Depot. This Study will be completed by August 1987.

The $5.7 million additional cost for each year that construction is delayed is consistent with our current estimates of inflation. The $16.5 million loss in savings may be understated. The economic analysis prepared for the project indicates an annual savings of $18.6 million. These savings accrue through reduction in operations cost, and are in FY 88 dollars.

FORT BLISS, TEXAS

Mr. COLEMAN. Thank you, Mr. Shannon.

The only other question I have was with respect to Fort Bliss. I will submit a list of these projects that I have that has been provided to me by their Commander at Fort Bliss. And I would like you to give me your opinion for the record of whether or not they represent a need separate from the canceled of the DIVAD project, and I would appreciate your office informing me of their status.

And in addition to that, if you could give me a list of those that are 35 percent design complete.

Mr. SHANNON. We will do that, Mr. Coleman.

[CLERK'S NOTE.—The following questions were submitted by Mr. Coleman:]

Question. I have been informed that the following projects scheduled for future program years at Ft. Bliss are of necessity in the coming fiscal year. I would like to request for the record whether or not the Army agrees with this?

PN and Title	Cost	Current program year
434—Alter Applied Instr. Bldgs	1,250	88
353—Ammo Supply Point Impr	3,645	88
418—IRETS-INCR 2	1,661	88
359—Barracks Modernization	11,600	90
439—Medical Warehouse WBAMC	7,744	88

Answer. The projects listed are all valid in the Army's MCA program. Each of them are in the five year program except the Medical Warehouse WBAMC, which has recently moved to the Long Range program. It must be recognized that the Army develops MCA programs based on priorities and resources available for the given year.

Question. According to Ft. Bliss, all but the Barracks Modernization project are 35 percent design complete. However, according to the Department of the Army, only projects 353 and 418 (Ammo Supp Point Impr and IRETS-INCR-2) are at that stage. Could you comment on that discrepancy?

Answer. Project number 434 (Alter Applied Inst Bldg) is 100 percent design complete. Project numbers 353, 418 and 439 (Ammo Supply Point Impr, IRETS-INCR-2, and Medical Warehouse WBAMC) are all currently 35 percent designed. Design has not begun on project 359 (Barracks Modernization). We apologize for any previous misunderstanding.

Question. Could the Barracks Modernization project be site adapted?

Answer. Project number 359 (Barracks Modernization) is a project to modernize an existing structure. The scope of work for this barracks modernization project is unique and requires a specific design and consequently does not lend itself to using a barracks design from another location.

Question. According to the Department of the Army, the Medical Warehouse for WBAMC and the Alter Applied Instruction Bldgs. project have been cancelled. Could you comment on this?

Answer. Project Number 434, Alter Applied Instruction Buildings, has not been cancelled. Project is 100 percent design complete and is currently in the Fiscal Year 88 program. Project Number 439, Medical Warehouse WBAMC is currently in the long range MCA program based on overall Army priorities. Project is currently 35 percent design complete. Because of project priority and limited design funds, design has been halted.

Question. Could you comment on fact that a mission involving the Alteration of the Applied Instruction Buildings is to begin in CY 88 even though this project is not scheduled?

Answer. Project number 434 (Alter Applied Instruction Bldg) is an urgently needed project that was orignially included in the FY 86 Unspecified Minor MCA (UMMCA) program. The UMMCA program, is a program that includes urgent and unforseen MCA projects estimated to cost less than $1.0 million. However, as the design of PN 434 approached completion, the cost of the project was revised to exceed the $1.0 million threshold. At that time the FY 87 MCA budget had already been submitted to the Office of the Secretary of Defense (OSD) and a request by Army to add this project to the budget could not be accommodated. As a result the project was added to the next available program (FY 88). The project is currently 100 percent designed.

Question. Which projects are moved back or cancelled because of the DIVAD cancellation?

Answer. We evaluated all projects in the program when DIVAD was cancelled, however, none of these projects were moved back or cancelled because of the cancellation of DIVAD.

Question. Which are representative of a need separate from the DIVAD cancellation?

Answer. All five projects identified support functions other than DIVAD.

[Clerk's note.—This concludes Mr. Coleman's questions.]

Mr. **Coleman**. Thank you, Mr. Chairman.

Mr. **Hefner**. Mr. Edwards?

CONSTRUCTION BACKLOG

Mr. **Edwards**. Mr. Shannon, you talked about a backlog of $26 billion.

What is that backlog? If you were to prioritize it, because I do not know that we are going to make a lot of progress this year on reducing your backlog what are the greatest problems you have in that backlog? What are the things that—

Mr. **Shannon**. I am going to defer to General Dacey if I may, Mr. Edwards.

But from my travels throughout all the installations last year trying to get my arms around all this, we have neglected those places where we have soldiers working and where we have them living. And we continue to do that. We are going to have to chip away at that even in the next year's budget if we have to look at some things that we have got to defer. But we have got to take care of those things.

General **Dacey**. I put up a slide to show categories of facilities and various buyout dates of a good part of our backlog, or at least a priority piece of it is there, sir.

We also have guidance from OSD that we should attempt to program annually to replace 2 percent, particularly in CONUS, of our physical plant. So that every 50 years we are turning over that plant.

In today's modern technology and the types of things that we are fielding, 50 years is not quite fast enough. But even with that, we have not been able to get to the 2 percent investment of our total inventory. Consequently, that part that says yes, we should replace that, is sitting out there for us.

Mr. EDWARDS. Is that included in that total of the backlog?

General DACEY. Yes, sir, it is and we are paying more in O&M costs to operate on an annual basis than perhaps a corporation would if they had the assets to go in and construct a more modern facility. We cannot tell you how many people leave the Army each year because of their dissatisfaction with facilities.

Mr. EDWARDS. I guess what I would like to pin down would be, because you are listing a fairly large backlog, how much of that is in the category of things that we would like to do. For example, OSD saying 2 percent modernization, and how much of that, how many dollars are we talking about in terms of things that are really desperate problems in terms of tanks—

Mr. SHANNON. To give you a good answer, Mr. Edwards, can we submit you that for the record?

Mr. EDWARDS. Sure. For the record would be fine.

But I am trying to pin down, you know, are we dealing about a $27 billion problem, are we talking about a $15 million problem, are we talking about $5 billion in terms of dealing with the urgent things?

General DACEY. Okay.

[The information follows:]

Projects on the approved installation master plan are candidates for MCA backlog. Major commanders are requested on a yearly basis to revalidate and resubmit their construction requirements. The backlog is developed in the Department of the Army (DA) from these command submissions to ensure that the final backlog figure is valid.

Current fiscal year budget guidance is reflected in the backlog figure which consists of valid construction requirements programed in the Army's portion of the Five Year Defense Plan (FYDP) and equally valid requirements which are lumped together in a no year program because of budget constraints and design execution limitations.

The Military Construction backlog rate of increase has slowed considerably due to increased funding in the Military Construction Account over the past several years. The backlog has grown due to unresourced renewal requirements, standards and policy changes, advances in technology, environmental costs, and to some extent, inflation.

Time and operations consume some of the Army's $180 billion inventory annually. CONUS facilities require replacement on an average of every fifty years due to deterioration and obsolescence. The FY 87 CONUS renewal cost is over $2 billion which is not totally addressed in the FY 87 request.

Overseas, the quonsets in Korea as well as many of the Wehrmacht compounds in Europe are over thirty years old and cannot be modernized economically. One-third of our program replaces these high priority overseas facilities.

The CONUS backlog has also grown due to standards and policy changes. In recent years, the Army leadership has recognized the importance of facilities to recruit and retain an all volunteer force as well to increase the productivity of its 780,900 men and women. Ten years ago a barracks had three to four people in a room. Today the standard is a maximum of two soliders to a room. This type of standard change recosts the backlog.

Advances in technology have also increased the cost of replacement, modification, and new construction that is not reflected in the budget year. Raised floors, hardened walls and security measures are now requirements for sophisticated communications and ADP facilities. The cost to retrofit and outfit a facility to computer generation standards has significantly increased the cost of facilities. The range backlog of ten years ago was based on a piece of equipment that fired at a stand still and moved slowly. Today's ranges support equipment with speeds exceeding forty MPH and capable of firing on the move. Modernizing facilities with sophisticated equipment increases the facilities backlog costs.

Environmental laws and increased public awareness of safety and health hazards have also increased the backlog cost. For example, asbestos and lead paint used heavily in constructing administrative facilities forty years ago require costly and extensive renovation to correct environmental problems. Reducing the backlog in administrative facilities is now conservatively estimated at ten times their prior replacement cost to properly treat these hazardous materials used in the original construction. With all of the above in mind, the Army assembles its five year program to include the highest priority backlog requirements. Our current program FY 87-91 includes approximately $11 billion of our total backlog requirement. This will allow us to fill needs in such critical areas as barracks, hardstands, child development centers, and operational and training facilities.

Mr. **Edwards**. And inflation gets at you, sir. If you now have a $26 billion backlog, and at 4 percent it goes up a billion a year. So you are constantly up one and back two as far as trying to address that concern.

Mr. **Shannon**. I do not think we have that with us. We will get that for you.

[The information follows:]

Military construction projects included in the backlog figure are priced in dollars relating to the fiscal year to which they are assigned (then-year dollars). The project cost is estimated at the mid-point of construction and includes an inflation amount. Projects are re-costed when a year change occurs.

REPROGRAMMINGS

Mr. **Edwards**. General Dacey, you were talking, I think, in terms of the budget cuts in Gramm-Rudman and things that are going to fall by the wayside that you all may have to come back and have some reprogramming requests as the way to deal with this.

One of the things that we tried to do in this committee, by changing some of the reprogramming procedures, was to move all of the services toward a reexamination of the cost of the scope of programs that were going on.

Obviously, if that was done thoroughly, you would be totally frustrated going back for reprogramming because you would not find anything that, had any excess money in it.

Can you tell me what progress has been made in going back and looking at the scope of projects to avoid the need for reprogramming requests in the future?

General **Dacey**. Yes, sir.

We have examined every single project in the '86 program. We identified 25 projects that need major redesign. And we are not sure that those projects can be accomplished. If we are to get a complete and usable facility within the current PA on those projects, that we are examining on a one-by-one basis, sir, we might have to come back to the Committee.

We identified 75 additional projects where we felt that we could get a complete usable facility, but not the size, or the original scope. So we told them to put in additions and deletions and to do whatever redesign necessary so that the package going out on the street would enable us to get the best facility we could on a "design to cost" basis within the dollars available as allowed by the Committee and remaining after the Gramm-Rudman sequestration this year.

Sir we are doing that on every project.

Mr. **Edwards**. Could we get a list of the 75 you are talking about where you are rescoping a little bit? I know the others we will hear from you on. But we would like to see some of these things where you have gone back and done something about scope.

General **Dacey**. We can provide for you everyone of our projects where the PA and CWE are now at a disconnect of 20 percent or more. We are managing those on a one-by-one basis, and we can provide the list.

[The information follows:]

The following list contains all fiscal year 1986 projects where the current working estimate (CWE) exceeds the appropriated amount, as adjusted by the Gramm-Rudman-Hollings sequestration, (GRH APP) by more than 20% or $1 million at this time.

Location	Description	CWE	GRH APP	Percent
Anniston AD	Ammunition Container Loadg Yd	944	719	31
Ft AP Hill	Water Distribution System	721	575	25
	General & Cold Storage Whse	3,215	2,252	44
Ft Benning	Trainee Barracks	21,924	16,293	35
	Convert Bldgs to Officers Qtrs	12,413	10,926	14
Ft Bragg	Aviation Fuel Storage Facility	2,969	2,444	21
	Division Headquarters	8,594	6,421	34
	Physical Fitness Trng Center	2,334	1,917	22
	Unaccompanied Enlisted Housing	14,823	12.460	19
	Test Equipment Calibration	794	546	45
Ft Devens	NBC Defense Instruction	806	585	38
Ft Dix	Dining Facilities Modernization	550	316	74
	Vehicle Maintenance Instr Fac	1,081	882	23
Ft Drum	Utilities	87,499	79,070	11
Ft Gordon	Applied Instruction Facility	7,139	5,559	28
Ft Irwin	Hospital Upgrade & Addition	7,905	6,709	18
	Training Facility	1,293	1,054	23
Ft Lee	Brigade Operations Center	1,208	989	22
Ft Leo Wood	Receptee Processing Building	9,336	7,188	30
	General Instruction Building	1,466	1,102	33
	General Instruction Building	3,646	2,684	36
Ft McClelln	Unaccompanied Officer Housing	4,595	3,402	35
	Unaccompanied Enlisted Housing	28,592	22,044	30
Ft Ord	Unaccompanied Enlisted Housing	24,738	22,044	12
Ft Polk	Physical Fitness Trng Center	6,042	3,834	58
	Company Operations & Supply	4,863	3,450	41
	Company Operations & Supply	2,954	2,105	40
	Battalion Headquarters	1,660	1,102	51
	Company Operations & Supply	1,557	939	66
	Battalion Headquarters	1,987	1,198	66
Ft Riley	Aircraft Maintenance Hangar	9,673	8,434	15
	Tactical Equipment Shop	11,921	9,584	24
	Tactical Equipment Shop Addn	3,567	2,684	33
Ft Rucker	Unaccompanied Officer Housing	7,208	5,367	34
Ft Sam Hous	Heat Recovery System	655	479	37
Ft Sill	Hospital Upgrade & Addition	29,167	27,794	5
	Trainee Barracks	23,450	22,044	6
Ft Wainght	Barracks Modernization	12,338	10,063	23
	Steam Line Insulation	3,243	1,917	69
Germany	Consolidate Heating Plants	8,472	5,367	58
	Tactical Equipment Shop	9,660	8,051	20
	Electronics Maintenance Fac	14,805	13,418	10
	Multi-purpose Training Ranges	23,000	18,220	47
	Boiler Plant Automation	9,008	5,751	57
	Tactical Equipment Shop	26,717	18,220	47
	Tactical Equipment Shop	3,078	2,204	40

Location	Description	CWE	GRH APP	Percent
	Hardstand	2,845	2,109	35
Navajo AD	Ammunition Container Ldg Yard	316	230	37
Pine Bl Ars	Close Hazardous Waste	19,243	18,210	6
Pueblo Ad	Ammunition Container Ldg Yard	243	192	27
Sacrmto AD	Optical Facility	5,856	4,361	34
Schofld Bks	Air Conditioning Upgrade	7,184	5,655	27
	Automated Field Fire Range	1,031	815	27
Tooele AD	CAMDS Laboratory	3,868	3,067	26
USMA	Energy Monitoring System Exp	5,856	4,792	22
Yakima FC	Multi-purpose Range Complex	18,426	15,143	22

AUTHORITY FOR THIRD PARTY CONTRACTING

Mr. **Edwards.** Mr. Shannon, I wonder if you could just elaborate on one point.

You said in your statement that you believed—"I firmly believe," you said, "that our authority in the area of third-party initiatives should be broadened to include additional types of facilities."

Can you expand on that? How broad are you talking about?

Mr. **Shannon.** I will be happy to, Mr. Edwards.

For instance, let me start at Fort Ord, it is a special case. We have difficulty with having enough family housing at Ord. And it is the place where we have converted the 7th Division to a Light Division.

I have asked the engineer at Fort Ord, the Director of Engineering and Housing, to look at ways in which we may be able to finance physical fitness centers, third-party.

As you well know, Mr. Edwards, they have put on the ground at Fort Ord a magnificent mobile home park, financed completely by a third party. We have done the same thing at Camp Hunter-Liggett, which is a subpost of Fort Ord.

Looking at the initiatives they have taken and then new ideas, I have asked them to look at the possibility of third party physical fitness centers, I have asked them to look at third party storage areas which we do not have—I have asked the reserve components to go out and talk with the private sector about putting up third party storage at reserve sites where we could rent them from the entrepreneur over a certain period of time, and after that, since it is built on Army land, it would become a possession of the United States Army.

As you know, the Fort Lewis Center experiment did not work out, however, I am going to have them relook at it again because I think that you can do a third party child care center. We did not do well at Fort Lewis, but I think we can do that some place else. There are other facilities. We are going to try third party at the Red River Depot in Texas. I think there are possibilities at facilities where maintenance and supply type activity take place. There are core logistic things that we cannot third party. But there are many other things we can third party, e.g., lab work. Other things we are doing are we have entered into a joint project at Aberdeen, Maryland, whereby we buy service from the private sector. And we have gone with a joint venture at Fort Drum where a regional authority was created to build a solid waste facility. We will use that.

So, wherever we can third party or wherever we hear of any ideas about how the private sector can build it for us without putting up the American taxpayers' money to do that, and/or we can buy that service, I would like to try that.

Mr. **EDWARDS** Will we get some kind of report on the things you are looking at?

Mr. **SHANNON**. We will certainly stay in close contact with the Committee on that.

MOBILE HOME PARKS

Mr. **HEFNER**. Will the gentleman yield?

There is something you said. Did I understand you to say a mobile home park?

Mr. **SHANNON**. It is a mobile home park, yes, sir.

Mr. **HEFNER**. Is that where they come in, I am assuming on government land, and just put down the concrete pad. The troops, I am assuming, buy their mobile homes and pay so much a month. Is that the way it works?

Mr. **SHANNON**. There are two different programs. We do put down concrete pads and this Committee has provided funds to put the pads down, and the individuals bring their own mobile homes. We also have a program where we have asked a third-party entrepreneur to put pads down and charge the individual rent. And we lease that particular section of land to the third party, to the entrepreneur.

In the case I am speaking of, Mr. Chairman, we have leased the land to him, the entrepreneur, and he comes in and puts the pad and the home there. He puts the home there and he rents that out to the soldier for his housing allowance. The soldier also can enter into an agreement with that particular entrepreneur to even purchase that particular mobile home and, at some time, move it away or rent it to another soldier if he desires.

Mr. **HEFNER**. This is not an 801?

Mr. **SHANNON**. This is not an 801, no, sir. It is not an 801.

We have no money in that mobile home park that we have put at Fort Ord. And we will be happy to bring the Committee staff up to speed on what we have done there.

[The information follows:]

We leased approximately 60 acres of land for 25 years at Fort Ord to an entrepreneur to build, maintain, and operate a 200 unit mobile home facility (with homes) for soldier rental with an option to purchase. The soldier receives his housing allowances and rents from the entrepreneur (current rates: $470–2 bedroom; $490–3 bedroom; and $590–4 bedroom). Utilities cost approximately $75 per month. If a soldier purchases and then leaves the entrepreneur provides a new home delivered to a location of the soldier's choice. So far no homes have been purchased. The facility is operated within the lease terms (Army and entrepreneur) and a locally developed management plan. Appropriated funds were not used to build nor will they be used to operate and maintain the facility.

Mr. **EDWARDS**. I would like to come back for another question but Mr. Rudd has a meeting.

Mr. **HEFNER** Well, you can yield to him and then you can come back to it.

Mr. **EDWARDS**. I yield to Mr. Rudd.

GRAMM-RUDMAN IMPACTS

Mr. RUDD. Thank you.

Mr. Shannon, I just saw a poll which I am sure all of us are aware of, but I saw a national poll indicating that the top matter of interest in the minds of the people across the country something about the deficits and the debt.

And I just ran a poll of my district, and that particular item was the uppermost issue in everybody's mind. And these polls were all started before Gramm-Rudman came along. But it explains why something like Gramm-Rudman could pass the Congress so swiftly, something nobody ever believed would happen in the Congress anyway.

The point is that everybody in America wants something done about our deficits and our debts because they know we are headed for disaster if we do not do something about it.

When Gramm-Rudman passed, it gave us some guidelines that are not going to be wiped out, that I can see, in any way at all. But it seems that when you put your requests together and the budget together, that you are saying you took that all this into consideration. And this would normally be presumed at about a 25 percent cut of what you would normally have asked for.

Is that true?

Mr. SHANNON. Gramm-Rudman, yes it is——

Mr. RUDD. When you made your request in your budget, did you take into consideration that you were going to have to face Gramm-Rudman at the level you requested?

Mr. SHANNON. To answer that with a short answer is yes, sir.

Mr. RUDD. Okay.

Well, then your request amounts to about what was granted last year, so you have already taken the 25 percent fat out of it, and you have come down to about what you had last year. And I am just wondering if that is going to be sufficient because if it is not sufficient, then you leave it to us to make all the cuts, and that might hurt worse than if you had made them yourself or given us a guideline as where to go to to start the cuts.

I am only saying that because it is a fact. We are all going to have to face up to it. It is not criticism or anything like that. It is just something we are all going to be living with because there are no more dollars that roll in the way they have been in the past.

So the answer to that question is yes, you took that 25 percent or 20 percent into consideration before you made the request and you cut it down to that point, which is equal to last year's operating amount. And I suspect that we are going to have to take another 20 percent out of it some way or other, maybe not out of your particular request, but out of the requests all across the board.

I just wanted to establish that guideline. And, General Dacey, I want to compliment you on the permanent installations and the new quarters and housing that we saw stateside. I agree with that. However, I know that we are going to have to close some bases perhaps. So I am sure that—or let me just ask you, when you pinpoint the new housing that is going to go up, do you take into consideration that they are going to be put on honestly permanent bases and those that are not likely to have to be closed.

Mr. SHANNON. Let me state, Mr. Rudd, that clearly one of the problems in the Army is to ensure that we have those installations necessary for our forces to live on and train on. That goes without saying. So those installations that we are putting new houses or money into clearly are at the top of the list of those installations that could not be closed unless you would eliminate force structure——

Mr. RUDD. That is the answer to my question, and I thank you.

MAINTENANCE OF TEMPORARY FACILITIES

Mr. RUDD. On the installations abroad, the Quonset hut you showed in that picture in Korea would, I assume, are what we call a World War II operation, but it could not quite be because World War II ended about 4 years before they went into Korea.

But that Quonset hut is an absolute abomination. It is a disgrace. It looks like somebody backed a truck into the right panel of the front entryway. That was not repaired. And that would create openings that would allow air to go in and go through the insulation. But I am sure it is properly insulated against the cold in Korea. Then the skirts around the bottom of that Quonset hut were really frightening.

My question to you is why can you not put a new panel on that side, and why can you not repair the skirts? And it seems to me that whoever is in charge of maintenance is derelict for not doing that. If you are still using the Quonset hut, it looks like it might have come out of Moscow somewhere. But the Quonset hut as such, I have been told, is not professional, but it is usable in temporary quarters. And it has done a very fine job. And if it is World War II, meaning that it is 30 or 40 years old, there is no reason why it cannot be replaced and have a brand new Quonset hut if that is what you have to use over there.

It just seems to me that whoever is in charge of maintenance over there on that thing is derelict. And if you would care to comment on that, I would appreciate it.

General DACEY. Sir, as you are aware, during the seventies, we stayed in Korea 10 years, one year at a time. Every year we were there some proposal was made that during the next 18 months to two years, we would be reducing the American presence; particularly in the late seventies under the Carter Administration, there was much open debate and discussion about reducing our forces in Korea.

Under the rules that we operate if we are even considering a base closure, we will not program any new construction, and we minimize the maintenance and repair.

So, for 10 years in Korea we were on a breakdown maintenance. In 1980, we had a small military construction budget, only a few million is what we were investing in the soldiers that were at forward stations in Korea.

The O&M dollars that we were putting over there, and again the paucity of the dollars that we had at that time, there was such a huge backlog. I agree with you that when you go over and look at some of them—and I was there in January and went up into the Second Infantry Division area, where some of those remote, very cold installations are located. It is an indictment against all of us in management that we did not——

Mr. **Rudd**. Well, I have been there too, but I guess I did not see the right place because I never saw anything like that anywhere along the line

General **Dacey**. Well, fortunately, today with what you have provided us in the last couple of years, much of that is gone. And we are making improvements.

Mr. **Rudd**. Well, I think we are stuck with what we have, but I am talking about maintenance. And I think that maintenance is not something that is outrageous as far as expenditure of dollars. So I hope that you are doing something like that.

General **Dacey**. In Korea, we have this master plan of where we are going to stay what facilities we would have and we concentrate the dollars there, getting them improved, building our better facilities there. That is happening today, sir.

Mr. **Rudd**. I am glad to hear that you are saying that and, therefore, I am not sure I see the need for that Quonset hut picture.

General **Dacey**. We had them last year too.

Mr. **Rudd**. Because I think it leaves the wrong impression. I may be wrong.

Mr. **Hefner**. This is where you want to show that picture, Eldon.

Mr. Rudd. Yes, I know it is where you want to show it. But—enough said.

I assume that when you are in the field—let me preface this by saying that, in my opinion, a military career in any of the services is the most honorable profession and career that any American can have. That is my opinion. So I do not sell professionalism short and I do not sell careers short because America cannot exist without proper security, and the military is what provides that security. And without that security, all of the blessings of liberty that are assured to us in the Preamble of the Constitution are worthless. Without that we can have none of those other blessings of liberty.

Let me just let you know where I am coming from. As far as the picture of the repair and maintenance of equipment, tanks, or what have you in the snow and all of that, this is part of what goes with that career and that profession. And if a soldier has to do something like that, I would hope that there were some sort of a tent covering or something else of a temporary nature. If you found this type of preparation in the conduct of our goal, which is to win wars, that we would have temporary facilities to help us out in times like that, if that what is needed to get the job done. And if you do not have anything like that on the spot, obviously you have to make do with what you have.

NORTHAG SUPPORT COMPLEX

Mr. **Rudd**. The last question that I have has to do with the NORTHAG Support Complex that are known as the rug factory in Germany.

Have you used the money, the $11 million, to buy that thing yet, or are you still in the process of negotiating further, or are you still leasing it or what?

General DACEY. Sir, we are currently leasing it. We do not have the release from the Committee yet. The funds were appropriated with the stipulation that we submit for your review a base review study in Europe, which has been accomplished and delivered to the Congress. But we have not received permission from you yet to proceed with the purchase.

Mr. RUDD. Okay.

Well, the estimate, at bare minimum, to get started on that thing was $50 million which would rapidly escalate to perhaps $100 million. And this year you are asking for an additional $35 million over and above the purchase price to start renovation and to start doing those things.

So I am just wondering where that is going to stop and what your estimate, at this date in time, with regard to what will be needed in order to put that complex in order and use it the way you want to use it taking into consideration again the drastic cuts that Gramm-Rudman is calling for.

General DACEY. Sir, we have a budget request in, as you said, for this in the '87 budget for $35 million to begin the renovation work there.

We had a group here from Europe last Thursday. We went through everything that they had in their plan. We told them to go back and scrub it to find out the absolute minimum to accomplish the tasks of that forward storage area so that they could meet with the requirements for the rapid deployment of the Third U. S. corps in to NORTHAG, and to come back to us with that austere plan, at the absolute minimum to do it. They are to get back to us within two weeks.

Mr. RUDD. Then we will know.

General DACEY. We will know their wish, sir.

Mr. RUDD. We will know their wish.

Mr. MARINELLI. Will that be reported to the Committee so that at least the committee will know what it is all about?

Mr. RUDD. You certainly can.

General DACEY. Sir, we will also be able to cover that in the European hearing which we will have later on.

Mr. RUDD. Thank you, General.

General DACEY. Thank you, sir.

Mr. HEFNER. Mr. Edwards, did you have something else?

MASTER RESTATIONING PLAN

Mr. EDWARDS. I have just one more question.

I continually ask these things, what is happening on the master restationing plan. Is there still a master restationing plan? Is there any progress on getting additional financial support for it, or have we just dropped the whole idea?

Mr. SHANNON. We have not, as far as I know, at the Secretary of Defense level and the Secretary of the Army's level. That idea has not been dropped.

Clearly we are not moving forward as quickly as everyone wanted to or thought they would.

Moving those five battalions into Vilseck is a part of the master stationing plan which originated some years ago when General

Kroesen was Commanding General there. Things are not moving as quickly as they thought. And I doubt if they will move as quickly as we thought.

Mr. **Edwards**. What about in the area of getting financial commitments, no progress?

Mr. **Shannon**. I know of very little, if any, progress, Mr. Edwards.

General **Dacey**. The only area that we have is for the war time host nation support where they did agree to form units to offset a U.S. force requirement to provide support for our forces.

Mr. **Edwards**. That is all.

Thank you, Mr. Chairman.

Mr. **Hefner**. Mr. Lowery?

BASE CLOSURES

Mr. **Lowery**. We have talked about additional base closings for decades. Maybe now with the crackdown of Gramm-Rudman, we might get it done.

I know there is review underway at the Secretariat level. Could you brief us on the status of that and specifically did the Army make recommendations for base closures in the United States?

Mr. **Shannon**. If I may, Mr. Lowery, I will address that.

When I became Assistant Secretary for Installations and Logistics, one of the things I could not get my arms around was what is it out there that the Army has as installations, and which ones should we be putting priority on? So I asked the Army to do a complete inventory of all its properties, and that inventory is underway.

The Army did not recommend to the Defense Department a base closure list and we do not have funds in our '87 budget for a base closure list.

The Secretary of Defense, in reviewing at his level, and responding to requests from the Senate Armed Services Committee, did submit bases for consideration to be closed this year. The Army does not have a base closure list.

I can promise you this though. We are looking at those installations that we have out there to determine whether or not they are being used in the most efficient manner, whether or not there are realignments that could take place, whether or not there are installations that we could lease out to the private sector, to be withdrawn if we need them during mobilization. But we do not have a base closure list.

What I hope to have in the next few months is at least the knowledge and the data that tells me what is there and what it is being used for, and whether or not it can be used more efficiently in some other manner.

Mr. **Lowery**. Thank you.

[**Clerk's note**.—The following questions were submitted by Mr. Hefner:]

BASE CLOSURES

Question. You indicate that there is an ongoing review of the entire base structure in the 50 States and that the Army is participating with the Office of the Secretary of Defense in the nomination of installations to be studied for possible closure. What is the status of the plan for possible closures? Did the Army recommend any domestic base closures as a part of the fiscal year 1987 budget preparation?

Answer. An initial screening of installations in the 50 States is underway to determine if further study is warranted to ascertain if it would be advantageous to consolidate or close any of the installations. This screening is in the preliminary stages, and no specific installations have been selected for further study at this time. No domestic base closures were recommended in the fiscal year 1987 budget preparation.

Question. Has the Office of the Secretary of Defense requested of the Army any nominations of base closures overseas?

Answer. The Office of the Secretary of Defense has requested no nominations of base closures overseas.

[CLERK'S NOTE.—This concludes Mr. Hefner's questions.]

ACCOMPANIED TOURS IN KOREA

Mr. HEFNER. Talking about Korea. What is the Army's policy on accompanied tours in Korea? I will make this a three-part question.

What is your policy on accompanied tours in Korea?

Does the Army plan to increase the number of accompanied tours in Korea?

And, thirdly, how much do you think this is going to cost? How much would this cost?

Mr. SHANNON. Let me answer all three of those starting with the first one.

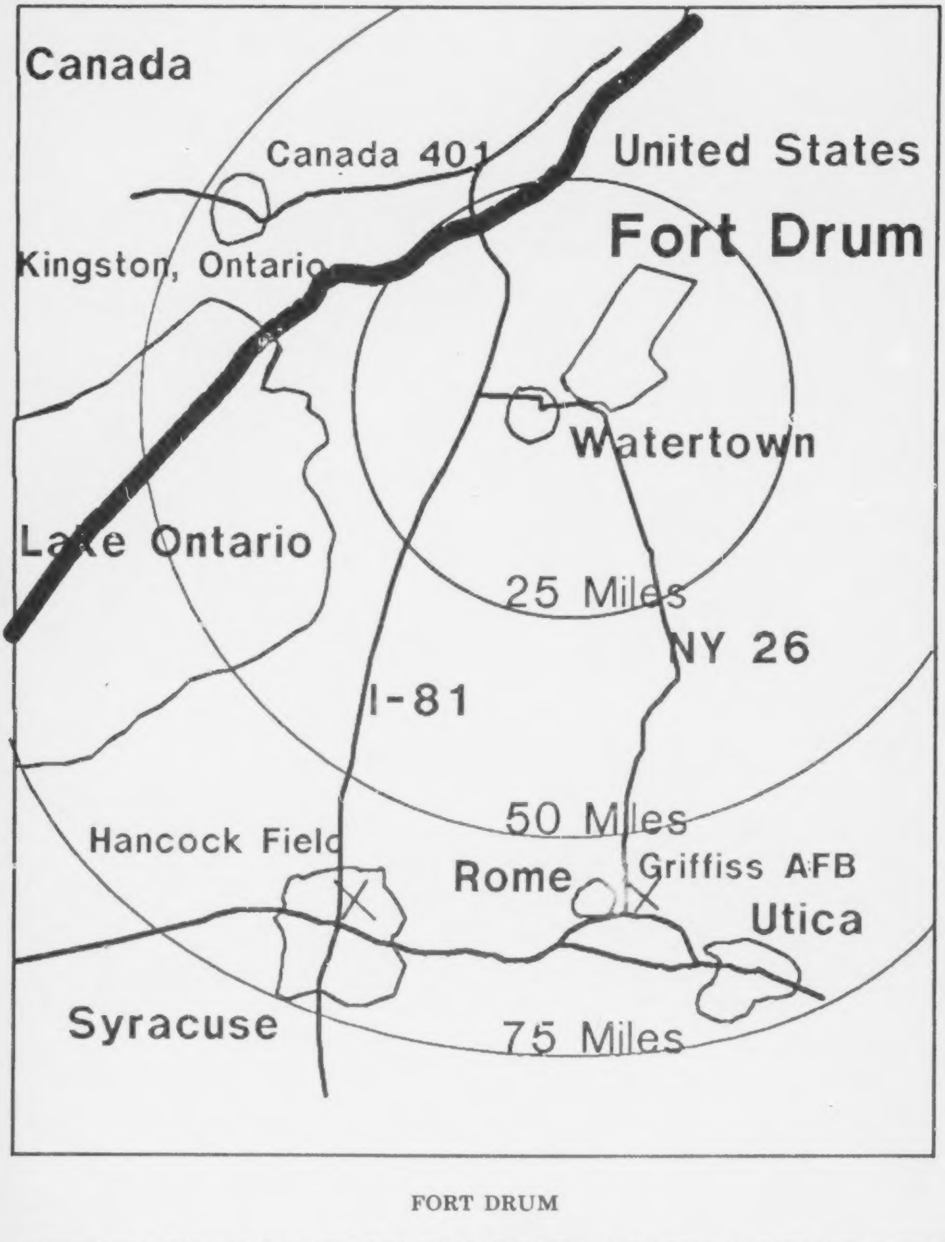
The policy of the Army for accompanied tours provides a few selected billets where dependents are permitted to go to Korea with their sponsor, and those tours are 24-month tours.

There has been a request by the CINC of Korea to increase the number of billets or to relook at the present policy governing the number of billets. That has not reached the Secretary of the Army's level. We have to look at the request.

I do not know, Mr. Chairman, what that would cost. But clearly, as of right now, the Army's policy is not to increase the number of accompanied tours for Korea.

Mr. HEFNER. If there are no further questions, we will turn to General Dacey on the presentation concerning Fort Drum at this time.

General DACEY. Yes, sir.


Canada
Canada 401
United States
Fort Drum
Kingston, Ontario
Watertown
Lake Ontario
25 Miles
NY 26
I-81
50 Miles
Hancock Field
Rome
Griffiss AFB
Utica
Syracuse
75 Miles

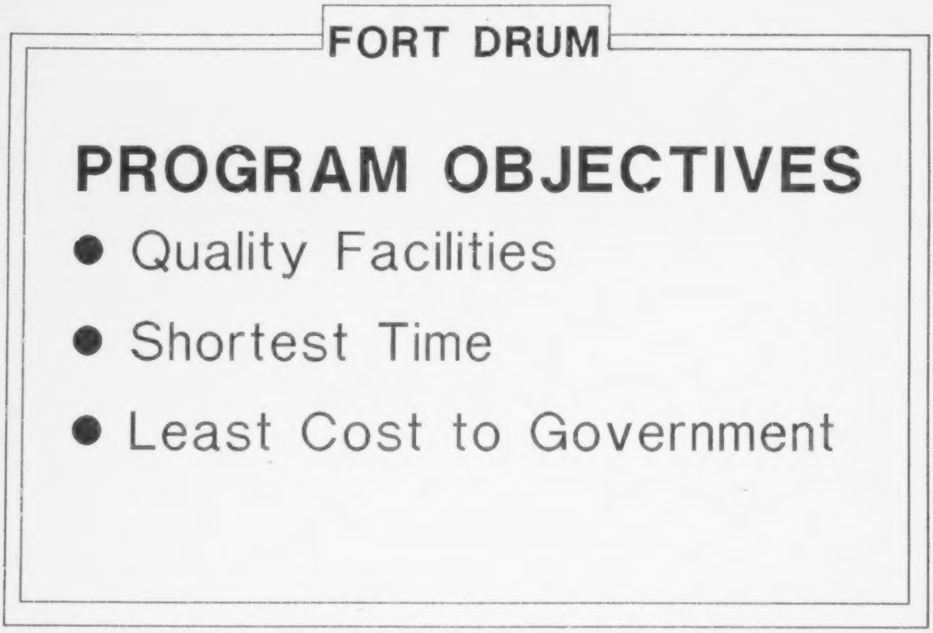
FORT DRUM

PRESENTATION BY MAJOR GENERAL ROBERT J. DACEY, ASSISTANT CHIEF OF ENGINEERS

General Dacey. Sir, Fort Drum, New York, is located just north and east of Watertown, New York, near the confluence of Lake Ontario and the St. Lawrence River. As you can see, within a 25-mile radius, you can be down at the St. Lawrence. It is about 65 miles north of Syracuse, New York, and about 60 miles north of Rome, New York.

The 10th Mountain Division, Light Infantry was activated at Fort Drum last year. With the funds provided, we have been going through a rehab of the temporary World War II facilities to accommodate those troops that are currently being stationed at Fort Drum.

This is the first time the Army has had an opportunity in many, many years to build a new installation for the soldiers and their families. And we have not approached this in a traditional way. That is why I would like to run down through for you how we believe we can reduce the overall cost of the program.

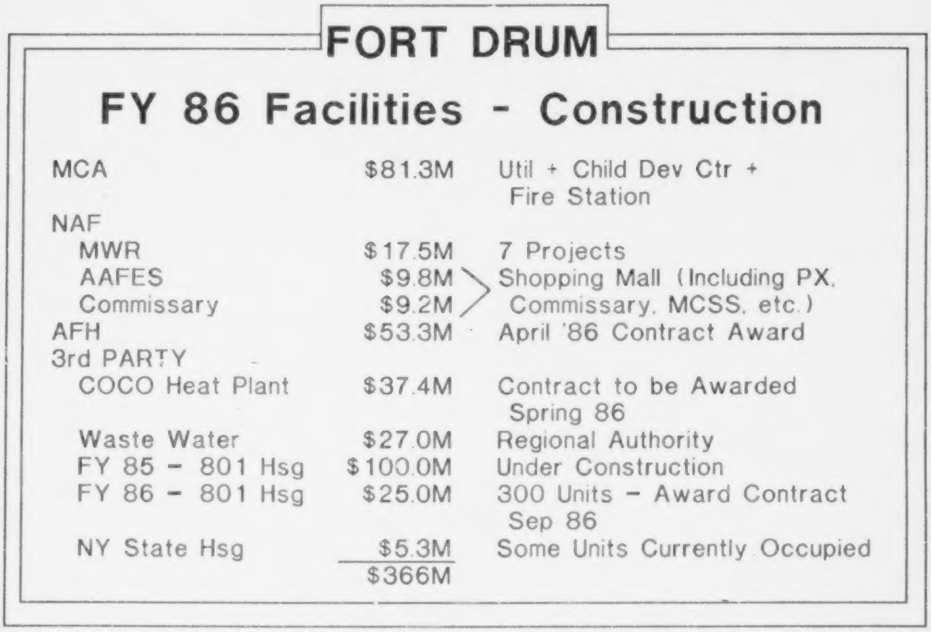


FORT DRUM

PROGRAM OBJECTIVES

- Quality Facilities
- Shortest Time
- Least Cost to Government

General DACEY. We want to have quality facilities. Quality, those that we ought to take pride in, but those also that will have the least life cycle maintenance costs. We do not want to build cheap in the front and then eat those costs five years later because we are having to maintain something that was not well built. We did want to put them in place as rapidly as possible, as attested to by General Greenway, so that we could have that strategic capability, i.e., that Light Infantry Division that could be deployed when and where necessary to meet national strategy. And we wanted to find ways to do that at the absolute minimum cost to the Army and to the government.



FORT DRUM

FY 86 Facilities - Construction

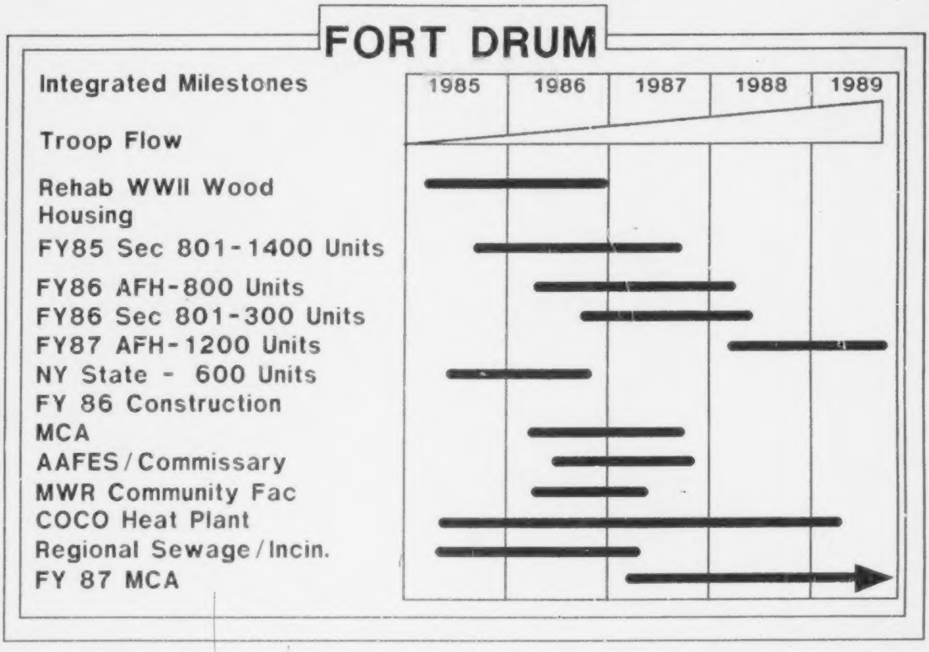
MCA	$81.3M	Util + Child Dev Ctr + Fire Station
NAF		
MWR	$17.5M	7 Projects
AAFES	$9.8M	Shopping Mall (Including PX. Commissary. MCSS. etc.)
Commissary	$9.2M	
AFH	$53.3M	April '86 Contract Award
3rd PARTY		
COCO Heat Plant	$37.4M	Contract to be Awarded Spring 86
Waste Water	$27.0M	Regional Authority
FY 85 - 801 Hsg	$100.0M	Under Construction
FY 86 - 801 Hsg	$25.0M	300 Units - Award Contract Sep 86
NY State Hsg	$5.3M	Some Units Currently Occupied
	$366M	

General DACEY. This is a very busy slide, but it shows you what is going on at Fort Drum this year. And it every project proceeds as currently planned $366 million of construction will be under way in that area this year to begin providing the facilities for the 10th Mountain Division.

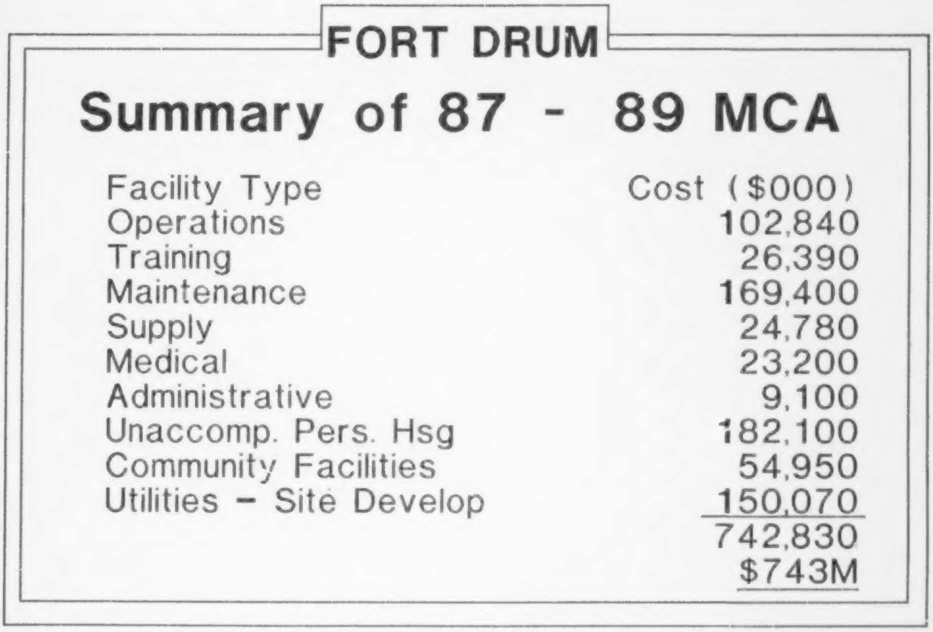
There is $81.3 million in MCA which will provide for the firehouse, a child care center and the initial part of a utility grid, those minimum facilities necessary to start the construction. Nonappropriated funds, as we pointed out earlier, the commissary and the PX and some morale and welfare facilities necessary to support the population of soldiers at Fort Drum.

$53.5 million in Army family housing which we are hopeful will produce up to 800 sets of family quarters on post. Third party, as Mr. Shannon testified to, a contractor—operated heat plant cost avoidance, if you will, of $37.4 million. A wastewater connection being constructed by the regional authority—actually it is a pipeline to take the wastewater to an existing treatment plant that has the capacity to treat the water. The 801 housing that you provided us previously is shown there, and the New York State housing which was being built through the efforts of New York State as part of their support.

So that is what will be going on at Fort Drum this fiscal year.


FORT DRUM

General DACEY. This is a very busy slide, and I put it up only to show that we looked at a troop flow. How could we move the troops in so that we could get the units activated and trained as quickly as possible. And then what were the myriad activities that had to take place? Construction activities, planning activities, everything that would have to take place in order to get that unit on the ground.



FORT DRUM

Summary of 87 - 89 MCA

Facility Type	Cost ($000)
Operations	102,840
Training	26,390
Maintenance	169,400
Supply	24,780
Medical	23,200
Administrative	9,100
Unaccomp. Pers. Hsg	182,100
Community Facilities	54,950
Utilities – Site Develop	150,070
	742,830
	$743M

General DACEY. We also looked at—next slide, please—if you built it in each's, if you went in and built each one of the barracks buildings as a project as we have done in the past, for a battalion complex or brigade complex, or we went in and did maintenance facilities under one contract and then went in and did dining facilities under another, what I would call, a traditional approach to expanding or improving an installaton.

Our initial estimate said that it would cost us about $743 million in addition to what is being spent in FY 1986. As we looked at that, we said there has got to be a smarter and better way to do it.

We talked to many groups, how should be build, what should we do in this new area so that, 10 years from now, we can take the greatest pride possible in the facilities that we have provided.

Next slide, please

FORT DRUM

THE FY 87 MILCON REQUEST:

- Authorization of the Full Scope of Work
- Appropriation in FY 87 OF $232M
- Advance Appropriations of $221M in '88 and $162M in '89

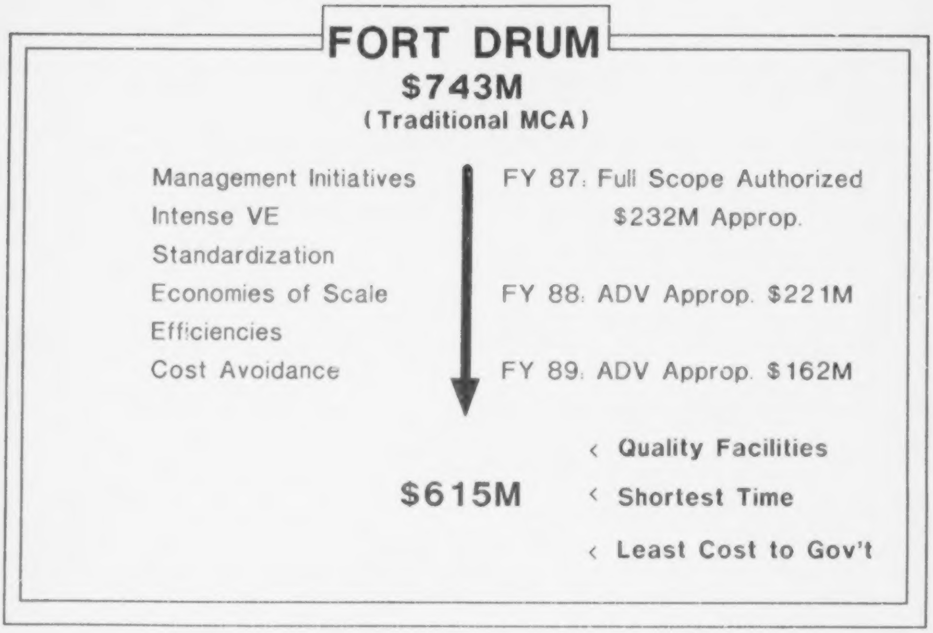
THIS PERMITS:

- Construction Paced by Efficiency – Not Appropriations Restricted
- Efficiencies/Economies of Scale of Large Contract
- Significantly Reduced Cost to Government $743M vs $615M

General DACEY. What we decided to do was to try and go with a single contract, one contractor to manage this whole construction work to phase it over three years. And that was the reason we worked then with OSD, OMB, and the Congressional Budget Office to find out was there a way to do this to proceed similar to what we do on the civil works side where we go in with an authorization for a large project, but then we have the funding over several years. In this case, we felt that if we were going to get the facilities, it would have to be with an advanced appropriation approval which, in effect, tells the contractor what he can plan for in the way of earnings each year so he will know where his economic quantity breaks are and his deals with his subcontractors and suppliers.

We met with all of the small and disadvantaged businesses in that entire region from Syracuse, New York on north. We have developed and written into our draft request for proposals a complete subcontracting plan to ensure that the normal small and disadvantaged business utilization bills will be met, even though we will have a prime contractor with the responsibility for meeting them rather than the normal association of the Corps of Engineers and the Small Business Administration.

We are meeting on Friday this week in New York. We put an ad in the Commerce Business Daily, and on Friday we meet with over 100 contractors to show them a draft of our request for proposal, and say what else can we or should we do here that might reduce the cost of this procurement? Are we on the right time line? Have we taken adequate considerations of labor pools that are or are not available, the skills that will be needed? All of the things that we believe we have considered, but now we are going to ask them for their expertise prior to proceeding to contract.



FORT DRUM

$743M

(Traditional MCA)

Management Initiatives
Intense VE
Standardization
Economies of Scale
Efficiencies
Cost Avoidance

FY 87: Full Scope Authorized
$232M Approp.

FY 88: ADV Approp. $221M

FY 89: ADV Approp. $162M

$615M

‹ Quality Facilities
‹ Shortest Time
‹ Least Cost to Gov't

General DACEY. Next slide please.

By going through a very intensive value engineering effort we are provided standardization where we could. As an example, there will be one window size in all the buildings at Fort Drum. That minimizes or should optimize the contractor being able to procure long-term the windows, but it minimizes the stockage the facilities engineer must have on hand to replace and fix windows in the future.

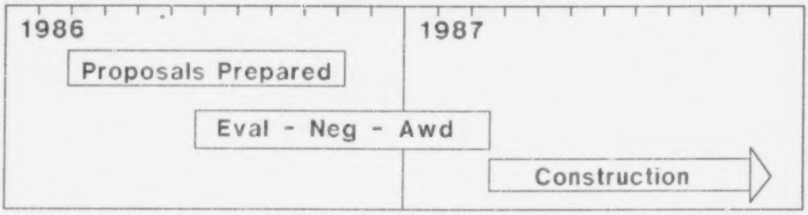
We sought economies of scale wherever we could. All the barracks are based upon a standard module. All the dining facilities are the same. We have not allowed any deviation because we are trying to minimize the cost for it.

For all that, if we do it, and if we are able to pull it off, provided there is Congressional approval to proceed with the contracting scheme that we have proposed, we believe we can reduce that $743 million to $615 million. And that is, we think, a very significant achievement. And that we will in fact be able to provide those facilities in the shortest period of time.

Next slide.

FORT DRUM

RFP EXECUTION PLAN



Milestones

28 Feb 86: Briefing of Industry
1 Apr 86: Receive Industry Comments
1 May 86: Issue Phase I RFP
1 Oct 86: Complete Issue Phase II RFP
Mar 87: Award Contract

General Dacey. This is a very busy slide, but these are all the activities that interface with the contracting side of the house prior to the time that we would award a contract. And I just put it up to you that it is very deliberate. We are allowing "no stone to be unturned" in trying to find ways to meet with people that would give us the smart ideas to assist in reducing the cost of procurement.

That is what it is going to look like, sir. It is going to be something, we can hold our hearing up there three years from now, and all take great pride that at least one installation in the country has no BMAR and DMAR and no MCA backlog, and it will be a complete and modern facility. That is what our soldiers deserve in the field.

ALASKA

6TH ID (L)

FY	MCA	AFH	801 HSG	NOTES
85	--	--	400 Units	Contracted
86	16	--	--	
87	126.7 (W)	33 (W)	--	150 Units AFH
	11.2 (R)	--	--	
	12.2 (W)	--	--	Medical & Dental
			--	Clinics
88-92	268 (W&R)	108 (W)	--	500 Units AFH
				All 88-92 Req'ts (MCA, AFH, MWR) to be validated

W = Fort Wainwright
R = Fort Richardson
MWR = Morale, Welfare, Recreation Facilities

General DACEY. A quick look at Alaska on the 6th Infantry Division, sir. In our '86 program, we had $16 million in MCA to begin some work there. In '87 we had $126.7 in MCA and $33 million in AFH at Fort Wainwright. Those are hard dollars that we have been able to identify. The remainder of the dollars are soft. And we show them there because those are the best estimates that have been provided to date. The complete plan for the activiation of the division has not been approved at the Department of the Army at this time. And when we have that complete plan, then we will go back in and scrub those numbers and come back and let you know the complete costs as we see them on the construction to take place for the 6th Infantry Division in Anchorage and Wainwright.

That concludes the briefing, Sir.

Mr. HEFNER. Is that it?

General DACEY. Yes, sir.

LIGHT INFANTRY DIVISION STATIONINGS

PROJECT SCOPE

Mr. HEFNER. The full scope, you are asking to spread over three years. The official budget only contains a request of 232 for fiscal year '87 and no advance appropriation for fiscal years '88 and '89.

Is this an inadvertent omission, or if it is, how do you plan to correct it?

General DACEY. Sir, it is an inadvertent omission in the budget that we submitted. However, if you read the budget, it was obviously the intent of both the Army and OSD to have had it in there.

We are working and OMB is in the process today of sending over an administrative correction to insert the proper language in the budget, sir.

Mr. HEFNER. Let me be the devil's advocate.

How will the Army proceed if the low bid is in excess of the programmed amount? Will there be bid additives so it can be eliminated in order to stay within the program MED amount?

General DACEY. Sir, what we plan to do on this one is to go out with a request for proposed bids which would then result in responses from several contractors.

What we have asked for, is a request for proposals where we will negotiate with those responsible and responsive firms that respond. And within the dollars that are available, we will negotiate the very best that we can. And when we go to best and final offers, if we feel that we could not provide the facilities essential to the fielding of the division, then we will be back over to the Committee seeking your guidance to how we should proceed.

We are optimistic at this point that we would be able based on our previous contacts with the industry to get a contract and provide the facilities as required.

Mr. HEFNER. How would the Army deal with the Gramm-Rudman automatic sequestration. reductions that could occur after a contract award? How would you deal with that?

General DACEY. Since you are well aware, sir, that the official position is that will not happen, obviously in a project of this size, if there was any substantial application of Gramm-Rudman, we would have a problem. And we would have to look then at what facilities that can and cannot be provided and determine if we would have to come back and ask the Committee for support.

Mr. HEFNER. But the President said that that would not happen, would it?

General DACEY. The President's budget as submitted meets the constraints of Gramm-Rudman and, consequently, as the President submitted it, there would not be any sequestration next year, sir.

Mr. HEFNER. That is not a real valid assumption to make. On the Budget Committee, we have got some real discrepancies in the President's assumptions.

General DACEY. I understand, sir.

Mr. HEFNER. So that could happen.

I will yield to Mr. Edwards.

Mr. EDWARDS Well, I would just follow up on that.

I guess the question is—maybe Mr. Lowery will disagree with me—but I do not think the President's budget is really a major factor in what is happening up here. And if a sequestration order were to take effect, and I am hoping we will not get to that point, would the Army recommend slowing down the pace of construction at Drum, or is beating the timetable at Drum so significant to our contingency plans that in fact you are going to come back and try to cut other things out instead? Because there is a chance that the Army is going to get hit by this. And I do not know whether Drum is what has to slip or something else, and we desperately need your sense of priorities in terms of omission.

General DACEY. As you are aware, sir, in our plan for the activation of the 10th Mountain Division we are activating to get the combat elements as quickly as we can. We are activating one brigade at Fort Benning, Georgia, that would move to Fort Drum as the facilities became available.

I believe the Army's position would be and, and I am sure General Greenway will agree that we would proceed to get that combat capability as quickly as we could with the funds that were available. We would provide for those that are currently planned to be formed at Fort Drum. And if we had to stretch out the time required to move that second brigade to join its parent unit, it would present a problem because it does not have its field artillery and its aviation and support elements with it.

It is a three-year contract, we have to look at what we can do, and then determine what the alternatives are and come back to the Committee if necessary.

Mr. **Edwards**. Drum is a major step forward in many different ways. There are a lot of things that are being tried at Drum that are different, and it would be nice to have a base that is not a hundred years old.

Are you learning anything from the standpoint of construction and facilities arrangement or anything else? Are we learning any real lessons from Drum to apply to any of the existing facilities or modernizations?

General **Dacey**. I would say we are learning better how business works, and not only how the contracting industry works, but how the financing industry works. And we are beginning to understand some of the synergism between bonding requirements and construction which is causing us to relook at that, which we are doing under the model installation program.

I think there are major lessons to be learned. I guess the proof of that pudding will be when we can get a contract. To go back then and determine how much of that might be applicable elsewhere in the Nation.

We are also as this Committee directed, packaging two and three and four projects for construction, you will see in our submission this year several places where we packaged in the States and overseas several projects together trying to get a larger contractor to bid. One, hopefully, who has a better business sense and better bonding backing and better financial backing, and reduce the cost of those procurements.

Logic says that should happen. The vote is still out, sir.

Mr. **Edwards**. Is the somewhat remote placement of the facility away from any major city going to cause any problems that you can foresee in terms of water supply or transportation in the area, not on the base itself, but in any of the other surrounding communities?

General **Dacey**. I am from Watertown, New York, myself, sir. My mother has tracked this very carefully.

Regarding transportation, there is an interstate route that runs now from Syracuse right up past Fort Drum. They are building an interchange from U.S. Highway 11 to provide an entrance to Drum.

There are other infrastructure areas up there. There has been a constant decline in the population of the area since the early sixties. So there was some housing available. There is dormant capacity in the schools and, the hospitals. We have met in each one of those areas and examined it with local groups and with the State groups. The Office of Economic Assistance in the Department of Defense has looked at these areas to determine what kind of impact that might or might not occur. We feel fairly confident that we are not going to overstress the infrastructure in the local region with the addition of this population, sir.

Mr. EDWARDS. I do not have any other questions.

Mr. HEFNER. Mr. Lowery?

Mr. LOWERY. What is the difference in timetable for going the traditional route in building facilities as opposed to the innovative approaches at Fort Drum?

General DACEY. If we went the traditional way, you would have numerous contractors working—and we have run again a large critical path analysis, the CPM, to determine how do we get them in where they will not interefere with each other's operation. Because every time two of them can find a way—and I am not sure they do not conspire the night before to go out in the morning and play, then both of their attorneys will be in that evening saying you have impeded their progress in the work and, consequently, they need a time extension. And you have impacted me. And then we will get all of the ripple complaints that follow with it.

By having one master contractor, that is his problem. And we would have negotiated a firm fixed price before he starts. And if his subs have those kinds of problems, he eats that cost rather than the Federal Government. So we think there are substantial benefits to having just the master contractor.

Mr. LOWERY. That argues for efficiency.

How about the timetable, what is your estimate of the time savings that should be approached at Fort Drum?

General DACEY. Again, setting aside the appropriation question, if all the monies were available and the option was to go one way versus the other, we probably would be talking and doing the project here in about 60 percent of the time that it would take to do it traditionally if we had the sequence to keep people out of each other's way, sir.

Mr. LOWERY. What will the total population impact be of military personnel dependents and civilian personnel at Fort Drum?

General DACEY. The net that we are looking at, sir, is about 27,000 population increase in the area.

Mr. LOWERY. Would you review again the timetable you would hope to have let the contract in and when the work will be completed?

General DACEY. We have, as I said, about $336 million planned to be underway by the end of fiscal year 1986 which we will be going through, particularly to get that utility grid underground, out of the way. That would be done about a year from now. We would hope to award the three-year contract, to start that clock going in April 1987, which coincides with the first thaw there, at least the diminishing of the 150 inches of snow they experience annually.

But to get a contractor in there who can start work in the summer of '87, and insure that we would have all of the facilities done and the troops in place up there in late 1990, sir.

Mr. LOWERY. Thank you.

Thank you, Mr. Chairman.

[Clerk's note.—The following questions were submitted by Mr. Hefner:]

Question. The Army is asking for authorization for the full scope of military construction at Fort Drum with appropriations spread over 3 years. However, the offical budget only contains a request of $232 million for fiscal year 1987 and no advance appropriations for fiscal years 1988 and 1989. Is this an inadvertant omission? If so, how do you plan to correct it and make it official?

Answer. Reference to advance appropriations was inadvertantly omitted from the Budget for FY 1987. The omission was corrected by the attached President's letter, with enclosure, of March 4, 1986, to the Speaker of the House.

[The President's letter with enclosure follows:]

THE WHITE HOUSE
WASHINGTON

March 4, 1986

The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider an amendment to the request for appropriations for fiscal year 1987 for the Judiciary and amended fiscal year 1987 appropriation language for the Department of Defense-Military. I am also requesting funds for the Department of Agriculture's Food Safety Inspection Service that were made available by the Continuing Resolution at the request of the President without further Congressional action.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

Ronald Reagan

Enclosures

DEPARTMENT OF DEFENSE-MILITARY

Military Construction

1987 Budget Appendix Page	Heading	1987 Request Pending	1987 Proposed Amendment	1987 Revised Request
I-G48	Military Construction, Army	$1,695,200,000	language	$1,695,200,000
	(In the appropriation language under the above heading insert the following immediately after "and the reasons therefore.":) In addition, for construction at Fort Drum, New York, there is appropriated in advance to be available for obligation in fiscal year 1988, $221,000,000, to remain available until September 30, 1992 and to be available for obligation in fiscal year 1989, $162,000,000, to remain available until September 30, 1993.			

This appropriation language was inadvertently omitted from the fiscal year 1987 Budget. This proposal would not affect outlays.

Question. The Army expects to achieve a $128 million savings from economies of scale and efficiencies resulting from a single major contract. With such a massive investment in a rather remote area, will there be offsetting diseconomies from increased costs for materials, equipment, electricity and water? Have these considerations been factored in the cost?

Answer. Yes, those factors, with many others, have been considered in the cost estimates submitted for Fort Drum. The factors cited are typical of those incorporated into the DOD area cost factors for construction estimating.

Question. How will the Army proceed if the low bid is in excess of the programmed amount? Will there be bid alternatives that can be eliminated in order to stay within programmed amount?

Answer. We believe that we have created the contractural environment to minimize the cost to the government. If the low bid is ultimately in excess of the programmed amount, the Army would have only two options: reduce the scope of work being contracted, and delay that work until a future year; or, request additional funding from the Congress and retain the scope of work as bid by industry.

Question. Would the Army consider reprogramming funds prior to award if the bid is in excess of the programmed amount? If so, what would be the source of additional funds?

Answer. The Army would consider reprogramming funds prior to award if the bid is in excess of the programmed amount. The source of additional funds has not been identified since the Army fully expects to achieve a contract for construction of the scope of work identified, and within the funds requested ($615 million).

Question. How can the Army assure that funding in excess of $615 million will not be exceeded?

Answer. the Army can not assure that funding in excess of $615 will not be exceeded, except to note that the Army can not exceed the authorizations and appropriations of the Congress. However the Army has structured a Request for Proposals from industry that includes provisions for competitive negotiations with the contractors. This provides another method of cost controls that we will use to assure that costs stay within our current estimate.

Question. How would the Army deal with the Gramm-Rudman automatic sequestration reductions that could occur after contract award?

Answer. A key element of the Army plan is that potential termination indemnification to the contractor remains less than the sum of funds appropriated. If that sequestration reduction did occur the Army would have to assure that this relationship was preserved. That could result in the delay of some work until a future year, or programming of additional funds in the next available year, 1990, to permit continued prosecution of the work by the contractor that we will have employed.

Question. Explain how the contract will be structured to allow for small business set-asides.

Answer. The Request for Proposals for the Ft. Drum construction contract contains explicit requirements for small and small disadvantaged business participation in sub-contracting elements. The extent of this participation will be a factor included in the overall evaluation of proposals and ultimate selection of the contractor. The request for proposals will include an extensive listing of small and small disadvantaged business firms that has been compiled from many different sources. These firms are identified as sources of sub-contracting elements for a prime contractor.

Question. Explain why 11 different design firms were employed to design the Fort Drum project.

Answer. Multiple design firms were employed to design Ft. Drum so that similar facilities could be grouped into large design contracts and those firms with the greatest skill and demonstrated success in a given discipline could be employed for the task. This facilitated quality designs, speed of design, and standardization of design with categories of facilities. Going one step further, a design guidance board was formed consisting of all design firms to integrate and incorporate their efforts, and avoid their mistakes, across all categories of facilities.

[CLERK'S NOTE.—This concludes Mr. Hefner's questions.]

Mr. HEFNER. I have a couple of questions about Wainwright.

Actually there are some offsets to the savings by going this route because if we—in other areas if we have to delay projects because of the attention that Wainwright and Drum will be getting, it is going to cost some monies that we would have to delay on other projects. So there will not be an overall savings of as much as we probably think. Because some programs we would have to delay or stretch out, if they are going to have this great amount.

We appreciate the fact that there are going to be some savings. But it is not going to be that much overall if you take into consideration the others that would have to be taken in consideration.

Could you explain why Fort Wainwright is not planned to be constructed under one single major contract like Fort Drum?

General DACEY. As I pointed out we are not very far along with the complete plans for the fielding of the division there.

The biggest single impediment there is that most of the projects at Fort Wainwright are going to be rehabilitation of existing facilities. We do not have the economy of scale there because where there is some ongoing activity, we have to move and fix a building, then after that is completed, we can move and do another one. The contractor is operating at our pace on relocation rather than the most efficient pace for doing the work.

In our initial discussions with industry representatives, they said that for that type of operation, rehabilitation and constant moving, they did not see where there would be savings anywhere near the magnitude of what we might be able to realize in Fort Drum.

[CLERK'S NOTE.—The following questions were submitted by Mr. Hefner:]

FORT WAINWRIGHT

Question. Explain why Ft. Wainwright is not planned to be constructed under one single major contract like Fort Drum.

Answer. The work at Ft. Wainwright is largely utilities and rehab work within an existing cantonement area. This is best contracted in smaller packages to firms with specific skills. Ft. Drum is all new work, on a new site, and of a magnitude that is most economically contracted with a single firm.

Question. Wouldn't one integrated contact achieve savings through economies of scale?

Answer. There would probably be some economies of scale with a single integrated contract. But we believe that those advantages would be exceeded by disadvantages at Ft. Wainwright. It is the intent of the Army to consolidate construction requirements into large, more efficient contracts when it is beneficial to do so. At Ft. Wainwright the programmed work will be closely evaluated and maximum consolidation will occur with efficiency and cost impact being the primary basis for decision.

Question. What is the Army's latest estimate of total construction cost associated with activation of the light infantry divisions at Ft. Wainwright and Ft. Richardson?

Answer. The Army is now in the continuing process of evaluating options that will further reduce, and truly minimize construction requirements in Alaska in support of the 6th ID. We are attempting to keep MCA costs under $250 million, and to keep Army Family Housing costs under $100 million. With success there, the total construction costs will be less than $350 million.

Question. You indicate that intense value engineering was used to lower the cost. What type of intense value engineering is used in this case that is not used in traditional construction projects?

Answer. Due to the magnitude of the design effort in progress with multiple design firms, we have been able to consolidate successes, and apply them across the broad spectrum of the total project, while avoiding weak or costly design solutions that can creep into individual projects. We have been able to use the expertise of these design firms working as one body, to achieve extensive value engineering during the design development process for the total of Fort. Drum.

Question. What is the plan for Ft. Wainwright? Will each of the projects be advertised for construction separately? Are the cost estimates based on separate individual contracts?

Answer. It is the intent of the Army to consolidate construction requirements to the maximum extent possible in view of cost and efficiency considerations. There will be some, yet to be defined, consolidations at Ft. Wainwright. The construction estimates that have been submitted do not consider these potential consolidations.

Question. The unit cost for a barracks modernization project at Fort Wainwright is $38,000 per man. Please explain the high cost as well as the alternatives that were considered, such as new construction.

Answer. The unit cost of $38,000 per man was calculated for 550 persons intended utilization, but not for 670 spaces maximum utilization. The $38,000 per person also includes the estimated cost of $8,284,000 for modernization of 83,545 square feet for administration and supply areas. The Army converts intended to maximum utilization so that capacities can be compared on the same basis across the services. Maximum capacities of barracks can then be readily determined for emergency housing use. The cost estimate for modernization of 133,255 square feet of barracks space is approximately $13,210,000 which is $19,700 per person for maximum utilization. New barracks at this location was considered, but would cost approximately $27,000 per person for the building only, and as much as $4,000 per person for exterior utilities, paving, site work and communication. This modernization project is reasonable at 63 percent of the cost of a new facility.

Question. Even if the unit cost factor of 2.18 were not applied, the unit cost would be $18,000 per man. Isn't this cost considered inordinately high for just a modernization project?

Answer. Again we compare costs on the basis of maximum capacity as explained previously since actual utilization varies based on the grades of the personnel assigned to the building. The estimated cost per person for modernization of 133,255 square feet of barracks space is approximately $19,700 for maximum utilization at this location. It is equivalent to $9,250 per person at an area cost factor of 1.00. This unit cost of $9,250 per person is not considered inordinately high for a barracks modernization which requires a complete change to the interior configuration and upgrade of the heating, ventilating, electrical and plumbing systems.

Question. The activation of the light brigade divisions in Alaska involves investments at both Ft. Wainwright and Ft. Richardson with the major construction and headquarters being located at Ft. Wainwright. What impact will this plan have on staffing levels currently at Ft. Richardson?

Answer. Staffing levels at Ft. Richardson will increase.

Question. Are there currently any unused facilities at Ft. Richardson?

Answer. No.

Question. Will the construction at Ft. Wainwright result in unused facilities being created at Ft. Richardson?

Answer. No.

Question. How accurate is the area cost factor of 2.13 for Fort Wainwright?

Answer. The area cost factor (ACF) for Fort Wainwright, as well as all other installations, represents a recent survey for labor, materials, and construction equipment reconfirmed in CY 1985. The ACF survey included analyses of labor availability and contractor competition existing at the time of the survey. It is, therefore, considered to be accurate. The ACF would be sensitive to large increases in the volume of construction when such changes affect the capacity of the local construction industry.

Question. How much of the modernization cost is for the conversion of dining facilities to administration and supply space and how much is for modernizing barracks space?

Answer. The square footage and costs for modernizing of these barracks and administration and supply spaces are calculated as follows:

	Square feet	Amount
Barracks modernization	133,255	$13,210,000
Conversion of dining facilities to Admin/supply space	83,545	8,284,000
Total	216,800	$21,494,000

[Clerk's note.—This concludes the questions submitted by Mr. Hefner.]

U.S. MILITARY ACADEMY, NEW YORK

Mr. **Hefner**. I see where you have requested more money for West Point than you have for Fort Bragg.

Can you tell me why the request for Fort Bragg is only $25.3 million. And I also understand that you are not a West Point graduate so you can be objective with your answer, if you like.

General **Dacey**. Sir, as we reported to the Committee several years ago, we began the revitalization of the academic curriculum at West Point to make it more competitive and more like other universities throughout the Nation, where people could specialize in many different areas.

To do that required that some additional laboratories and classrooms be established. The South Post was purchased at West Point so that we could move activities down there, such as the library, annexes and the ADP Center. The funds we are requesting now are to go through and do a rehabilitation of those older buildings on the parade ground which would then be used for academic classrooms for the cadets.

Sir, this modernization is not something that has taken place in recent years at the military academy. I toured the academy and went through, step by step, what they wanted to do. There is a very difficult sequencing again as we try to disrupt to the minimum the academic and military activities at the Academy. I believe this request is reasonable. As to how it compared with Fort Bragg, that is a vagary of the prioritization system this year. Sir, it is not the intent of anyone to indicate a relevant importance of one installation over the other.

[Clerk's note.—The following questions were submitted by Mr. Hefner:]

Question. Last year, the Committee denied funding for the $7.3 million renovation of a general instruction building because of the high unit cost of $163 per square foot. Explain how must of the cost is attributed to renovation of the fifth floor and how much to construct a sixth floor.

Answer. The cost breakdown for renovation of the fifth floor and the new addition of the sixth floor are as follows:

	Fifth floor renovation (25,000 square feet)	Sixth floor addition (14,000 square feet)
Demolition	$67,800	
Removal Roof, Skylight	178,200	
Arch. & Structural	548,300	$2,862,400
Mechanical	135,000	75,600
HVAC	830,100	464,800
Electrical	272,800	152,800
New Elevator to 6th Floor		253,100
New Stairs and Landings	118,700	66,400
Fire Alarm System	187,800	105,300
Communications	26,200	14,700
Total	2,364,900	3,995,100
Contingencies 10 percent	236,500	399,500

	Fifth floor renovation (25,000 square feet)	Sixth floor addition (14,000 square feet)
SIOH 5.5 percent	143,100	241,700
Total	2,744,500	4,636,300
Total Rounded	2,745,000	4,636,000

Question. What alternatives have been considered as opposed to adding a sixth floor?

Answer. Alternatives were studied in connection with the decision to construct the sixth floor addition to Washington Hall for specialized computer labs and tactics classrooms:

A. Construct new (freestanding) facilities in the cadet area;

B. Construct new facilities outside the cadet area;

C. Renovate/expand within the existing Washington Hall complex;

1. Alternative A (new construction-Cadet area) had an estimated unit cost of $220 per square foot (Hillier Group-Academic Master Plan). Costs were in part attributable to lack of available level ground; and National Historic District limitations-construction on "The Plain".

2. Alternative B (new construction-South Post area) requires cadets to travel well beyond the 10 minute walking radius necessary for class scheduling. There is no practical means to provide that type of access as well as the intensive support facilities necessary for instructional buildings (i.e. audiovisual; library; data processing etc). This solution results in space duplication of DMI and Computer Facilities now existing in Washington Hall.

3. Alternative C (PN 187, add 6th floor, renovation/expansion within Washington Hall) provided a cost saving of $60.00 per square foot over alternative A and avoided space duplication through maximum reuse of existing assets in Washington Hall. On project completion, Washington Hall will be modernized and the obsolete space returned to useful purpose.

Question. How much space is involved in the construction of a sixth floor?

Answer. The new sixth floor is 14,000 square feet.

[CLERK'S NOTE.—This concludes the questions submitted by Mr. Hefner.]

Mr. EDWARDS. I thought it because of the emergence of a good basketball team at Annapolis. They were going to try to lure some of the prospects out of North Carolina.

Mr. HEFNER. We get most of our basketball players from New York.

Do you have any further questions?

Mr. EDWARDS. No.

[CLERK'S NOTE.—The following questions were submitted by Mr. Hefner:]

PROJECTS IN GREECE

Question. According to the annual report on projects status, the Army has delayed 16 projects in Greece because of political problems. Can you explain why these projects were delayed and what is the current status?

Answer. The cause of delay is the lack of a construction technical agreement (TA) with the Government of Greece (COG). Negotiation with Greek authorities is approaching conclusion. We have finalized the TA and the Secretary of Defense has authorized us to conclude the agreement with minor text changes. We will be meeting with the Greeks early in April 1986 for completion of the final text. Final approval of the TA will be mid May 1986. We anticipate that the construction requests for the delayed projects will go to COG in June 1986. Urgently needed modernization of facilities for U.S. troops has been deferred due to political conditions in Greece. We need support in keeping emphasis on the overall requirement. It would be tragic to give the Greeks any false signals now when we are so close to a solution. We strongly believe the following actions are required:

Approval of FY 87 MCA Project. Extension of authorization for FY 84 and 85 MCA projects.

Question. What assurance does the Army have that the two projects in the Fiscal Year 1987 request will not be delayed?

Answer. Prognosis is that Greek FY 87 MCA will not be delayed by technical agreement (TA) negotiations. Based upon advanced stage of negotiations, the TA will signed in June 1986, all of the Army projects in Greece will be advertised in late summer 1986.

FORT RICHARDSON, ALASKA

Question. The unit cost for barracks modernization at Fort Richardson is $34,000 per soldier. Without the area cost factor, the unit cost is $18,000 per soldier. Explain the high cost of this project as well as alternatives that were considered.

Answer. The $34,000 per soldier calculated is based on a 330 person intended utilization. However, the scope of 130,080 square feet is based on a maximum utilization of 372 spaces, which calculates to a $30,000 per soldier cost. The unit costs are not only for barracks modernization, but also for modernization of administration and supply areas. The areas and costs are as follows:

	Square feet	Amount
Barracks Modernization	85,560	$7,420,000
Admin/Supply Modernization	40,920	3,549,000
Mechanical Room	3,600	312,000
Total	130,080	11,281,000

The unit cost just for modernization of barracks areas for the scope of maximum intended utilization is $20,400 per soldier which yield an equivalent unit cost of $10,625 per soldier at an area cost factor of 1.00. New barracks at Ft. Richardson would cost approximately $28,000 per soldier for barracks and supporting facilities such as exterior utilities, paving, site work and communications.

BIDDING PERFORMANCE

Question. What is the current bidding trend in terms of number of bidders per project and the relationship to programed amounts?

Answer. Since apportionment was not received until 10 Jan 86, bids have been opened on only 38 FY 1986 MCA projects. The average number of bids received per contract is nine. Bids are currently averaging 89 percent of the Gramm-Rudman-Hollings (GRH) program amount (PA). Although this is a small sampling, this trend appears to be consistent with the bidding estimate experienced during FY 1985, when the average number of bids per contract was nine, with low bids averaging 84 percent of the Congressional PA. However, the projects bid thus far in FY 1986 represent those where the estimates were less than the GRH program amount. Consequently, they did not require redesign or bid additives and the savings are not expected to continue at this rate.

REDSTONE ARSENAL

Question. Explain why construction funds for a Millimeter/Microwave Simulation Facility are being requested for fiscal year 1987 when equipment will not be requested until year 1988?

Answer. Construction start for the Millimeter/Microwave Simulation Facility at Redstone Arsenal is scheduled for January 1987. Construction is estimated to take 24 months. The simulator equipment procurement is scheduled to be initiated in October 1987 and will require 15 months to complete for installation by January 1989. Therefore, the simulation equipment will be ready for installation when the facility construction is complete.

VEHICLE WASH FACILITY

Question. There are six vehicle wash facilities proposed in the budget costing $35 million. Provide for the record the magnitude of savings (labor and materials) associated with these projects.

Answer. The information follows:

	Investment	Annual savings	
		Labor	Material
Forces Command (FORSCOM)			
Wash Facility: Fort Hood	$10,600,000	$8,626,256	$27,924
Wash Facility: Fort Campbell	4,500,000	2,899,358	11,316
Training and Doctrine Command (TRADOC)			
Wash Facility: Fort Benning	9,100,000	26,973,198	48,674

	Investment	Annual savings	
		Labor	Material
Wash Facility: Fort Benning	4,000,000	11,983,110	22,823
Wash Facility: Fort Sill	3,050,000	1,350,387	4,720
US Army Europe (USAREUR): Wash Facility: Germany	3,800,000	2,437,736	0
Total	35,050,000	54,270,045	115,457

OPERATIONS SUPPORT FACILITY, HAWAII

Question. Are there other hardened administrative type facilities in Hawaii, currently not used for sensitive purposes, that can be used instead of constructing this new facility?

Answer. A tri-service review of facilities on Oahu indicates that there is no administrative space available which can accommodate this requirement. Placing the activity anywhere else is not practical, based on the required, functional relationship between the elements to be housed in the proposed facility and the mission of Field Station Kunia.

MOUT FACILITIES

Question. Last year the Congress denied funding for 5 MOUT facilities based on a GAO finding that the Army had not sufficiently justified the need for such facilities. This year, the fiscal year 1987 request contains only one such facility located in Germany. Explain why only one such facility was requested this year.

Answer. At the time the funding for the fiscal year 1986 projects was denied, the fiscal year 1987 range construction program was fully developed and it was not possible to insert all five projects into the 1987 request. The Army has responded to the GAO findings and described the training strategy and justification for the MOUT program. The remainder of the projects will be integrated into future submissions once the Army is confident that the Committee's concerns have been adequately addressed.

Question. Why was Germany chosen to be the location rather than projects within the States?

Answer. The facility at Hohenfels Major Training Area in Germany was the top priority MOUT project in the fiscal year 1986 request. This complex will support more than four divisions of forward deployed forces which must be prepared to fight in the densely-populated, highly-urbanized terrain of Central Europe.

FORT LEONARD WOOD

Question. Is the $126 million that is planned for the next 3 years associated with the relocation of the Engineer School?

Answer. The planned construction for the next 3 years includes $61.609 million for five projects associated with the relocation of the Engineer School. Three of these projects include space needed by Fort Leonard Wood for requirements not associated with the Engineer School. Of the $32.409 million total cost of these three projects, $16,83 million is attributable to the Engineer School's requirements and $15.58 million to Fort Leonard Wood's own requirements. The two separate requirements were combined in these projects in order to realize economies of scale and greater efficiencies. Thus the total cost attributed to the Engineer School relocation for the next three years is $46.029 million.

Question. Could you briefly explain why the Army chose to relocate the Engineer School from Fort Belvoir, Virginia to Fort Leonard Wood, Missouri?

Answer. The Army chose to relocate the Engineer School to Fort Leonard Wood, Missouri to consolidate and standardize engineer officer and enlisted training; materially reduce existing equipment and manpower resource duplications; provide for additional performance oriented field and combat training, and closer integration of engineer combat and training developments with training activities; and to provide significantly improved realistic training in the areas of weapons. demolition, equipment operation and technical engineering skills under field conditions.

FORT RILEY—PRIMARY WATER SUPPLY CONNECTION

Question. What other alternatives were considered in order to meet water quality standards for water supply? Was expansion or construction of on-post facilities considered as an alternative? If so what was the cost of such construction?

Answer. The following alternatives were considered to meet drinking water standards at Fort Riley.

(1) Army purchase drinking water from the near by community of Junction City.

(2) Army construct a water treatment facility on Fort Riley. The estimated cost of constructing a new facility on Fort Riley is $7,687,000.

FORT LEWIS REFUSE INCINERATOR PLANT

Question. What has been the success of other similar refuse incinerators and heat recovery units within the Army?

Answer. Small refuse incinerators which were installed in the past for heat recovery have had limited success. The amount of energy recovered has been considerably less than that projected by incinerator manufacturers. Heat recovery at Army units has been in the range of one-half of that which was expected. As a result, the Army ceased further planning of these incinerators for heat recovery purposes several years ago. The incinerator proposed at Fort Lewis is being constructed primarily to extend the life of the existing sanitary landfill. Energy will be recovered during the process. However, environmental considerations are the primary basis for construction.

FORT POLK, LOUISIANA

Question. The multi-purpose range complex at Fort Polk is estimated to cost $27 million. What is unique about this complex that the cost is considerably more than other multi-purpose ranges in the Army's program?

Answer. The site for this range at Fort Polk was carefully chosen to minimize impact on the environment and to satisfy the training requirements associated with the fielding of modernized equipment (Abrams Tanks and Bradley Fighting Vehicles). Some construction requirements associated with the site have added to the normal costs associated with multi-purpose range complexes. Power lines must be constructed to bring electic power to the site and an access road must be built. On the range itself, all-weather course roads and stream crossings must be installed to protect the watershed and to insure year-round availability.

CHILD CARE CENTERS

Question. Last year, the Army's test program for third party contracting of child care centers was not successful. However, this year the Navy is pursuing third party contracting in two cases. Explain briefly why third party contracting was not successful and what is the Army's position relative to third party contracting of child care centers?

Answer. Legislative impediments, liability insurance problems and a low interest in participation by the child care industry were the primary reasons for the unsuccessful test of third party contracting of Army Child Care facilities.

Only one contractor made an offer.

It was non-responsive to the needs of the Army's program.

It costs were greater than those of a government operated program.

The non-responders were surveyed as to their lack of interest.

The non-responding contractors wanted the following:

Guaranteed sale of the building to the government should contract terminate before expected completion (25 years).

Subsidies or income guarantees.

Government to provide liability insurance.

The Army's position is to continue to explore third party contracting and other alternative means of private sector funding of construction or operations. Future actions will be based on the outcome of the Navy and Air Force tests results and progress with legislative change. However, the growing child care service industry is more sensitive to the rapidly changing situations of fluctuating military populations, spouse employment and mobilization which makes a 25 year contractual agreement for child care more problematic than one in other program areas.

SECURITY UPGRADES

Question. There are security upgrades at Army Ammunition Depots. What other security upgrades are planned in future years?

Answer. VCSA tasked COE to complete an evaluation of all FY 86, 87, and 88 MCA, AFHC, and NAF projects with respect to vulnerability to terrorist acts NLT 14 Mar. 86. The Corps of Engineers has appointed its Missouri River Division the new lead agency for protective design. The Corps is now implementing a security design review of existing projects to identify those that may require additional antiterrorism protective measures and is developing criteria for "quick-fix" solutions for use in the military construction program.

This effort is expected to be completed within the next six months. Army Materiel Command (AMC) is embarked on an extensive effort to increase security of the Military/Industrial production and storage capability. This new AMC program will identify substantial amounts of resources for ammunition plants, proving grounds and test ranges. As for storage facilities, the Command's first priority of effort is for upgrading conventional ammunition storage sites and then chemical storage sites. AMC's program priorities are organized in this manner because of current inadequate physical security at conventional munition storage sites. Further, basic security systems are already in place at chemical storage sites. In addition, lead time is required for IDS and closed circuit TV project design and for other initiatives requiring state-of-the-art technology.

Europe and Korea will also receive security upgrades in future years, with a progressive and systematic upgrade of installations and facilities to include community support facilities, i.e., Troop Living areas, PX's and Commissaries.

Major stateside headquarters receiving security improvements are those buildings housing mission essential function and/or sensitive material at selected posts camps and stations.

CONVERTING TO COAL-FIRED HEATING PLANTS

Question. Does the Fiscal Year 1987 Military Construction Budget contain funds for converting existing heating plants to coal-fired plants within the United States?

Answer. The Fiscal Year 1987 Military Construction Budget contains no funding for conversion of existing heating plants to coal.

Question. Does the Army support having this fund centrally managed at OSD?

Answer. If such a fund were established, management of OSD would be a good method of insuring resources were applied to the most effective conversion projects DoD wide.

LOST DESIGN

Question. Provide for the record a list of project designs that were lost for fiscal year 1985.

Answer. Some design effort was lost on the following 174 projects during fiscal year 1985. This occurred when limited redesign was required to incorporate changes recommended by Value Engineering studies, criteria or user changes, the need to specify US equipment, resiting, or other requirements such as reduction of scope or price based on approved project amounts.

LOST EFFORT DETERMINED IN FY 85

PY and project number	Project name	Location
86—56	Child care fac	Ft. Drum, NY
87—100	Wilcox Health Clinic	Do.
85—2253	Maintenance facility	Kitzingen.
84—992	Facility mod ph I	Hanau.
86—2296	Opn fac	Schwetzingen.
85—2205	Cbt Avn complex	Katterbach.
84—415	Htg/utilities	Babenhausen.

LOST EFFORT DETERMINED IN FY 85—Continued

PY and project number	Project name	Location
84—444	Tac shops	Do.
84—992	Tac mod ph I	Hanau.
84—0012	Fac mod	Gelnhausen.
86—1218	Child Dev Ctr	Vilseck.
86—1029	Barracks	Ansbach.
86—1036	Ammo storage	Do.
85—290	Fac Mod II	Amberg.
85—2196	Htg sys renovation	Frankfurt.
85—291	Stor opns bldg	Miesau.
86—826	Fac mod ph III	Darmstadt.
86—138	Incinerator	Wildfecken.
87—1093	BOQ	Vilsek.
85—831	Gp hq bldg	Finthen.
86—2250	Bn hqs bldg	Friedberg.
85—2253	Maint fac	Kitzingen.
86—2022	Hardstand	Heilbronn.
84—59	Ammo surv	Kriegsfeld 86.
86—2151	Divad veh maint	Crailsheim.
85—291	Opns bldg	Miesau.
86—2274	Topo spt fac	Schwetzingen.
85—2159	-Divad bks	Crailsheim.
87—2152	Ammo stg	Do.
87—2238	Provost marshall	Vilseck.
87—2218	Ammo igloos	Muenster.
89—1241	Bks	Kirchgoens.
87—1293	Petroleum	Kaiserslautern.
86—353	Tact equip shp	Ft. Campbell, KY.
85—352	Avum hangar (AH-64)	Do.
87—364	Hangar-Socom	Do.
886—350	Flight simulator bldg	Do.
88—365	Hangar-Socom	Do.
86—355	Multi-purpose range comp	Do.
86—391	Child development center	Ft. Knox, KY.
88—349	Physical fitness center	Do.
86—90	Rearm phase III	Rock Island Ars, IL.
85—00370000	Hardstand	Ft. Riley, KS.
85—00273000	Bn hq & classroom	Do.
85—00371000	Tac equipment shop	Do.
85—00362000	Bn hq with classroom	Do.
85—00324000	Tac equipment shop	Do.
86—00366000	Tac equipment shop	Do.
85—00374000	Tac shop	Do.
85—00205000	Applied instr bldg	Ft. Leonard Wood, MO.
86—00182000	Irets ranges	Do.
85—148	General instr bldg	Ft. Monmouth, NJ.
88—364	Expand USARC	Bristol, RI.
87—277	USARC/OMS/AMSA	Newburgh, NY.
87—739	Exp USARC/OMS	Rocky Point, NY.
85—57	Physical fit	Ft. Drum, NY.
86—55	Fire station	Do.
88—97	Phys fit center w/pool	Walter Reed Amc, DC.
87—321	Wheld vehc tech inst bld	Aberdeen Pg, MD.
86—46	Natl Def Univ Hq/Library	Ft. McNair, DC.
85—296	Applied instruction fac	Aberdeen Pg, MD.
85—91	Religious education fac	Ft. Myer, VA.
85—237	Bldg energy retrd, ph II	Ft. Meade, MD.
85—51E	Med/den clinic	Ft. Story, VA.
86—51	Cold stg	AP Hill, VA.
86—5150000	Child care ctr	Ft. Lewis, WA.
86--5280000	Tac eqp shop	Do.
86—4990000	Ext utilities	Do.
86—0492000	Veh maint shop	Do.

LOST EFFORT DETERMINED IN FY 85—Continued

PY and project number	Project name	Location
87—5090000	Tac equip shop	Do.
88—5100000	Tac equip shop	Do.
86—5180000	Tac equip shop	Do.
86—5190000	Veh maint shop	Do.
86—5270000	Tac eqp tac	Do.
84—0820100	Replace rec ctr	Do.
86—3812000	Madigan Army Med Cen	Do.
86—5300000	Multi purp rng	Yakima Firing Ctr, WA.
86—1410000	Child care center	Ft. Greely, AK.
85—2800000	Bks MOD-B668	Ft. Richardson, AK.
80—133000	Animal care and centrl clinic	Ft. Greely, AK.
84—2710000	Range/trng fac impr	Ft. Richardson, AK.
85—8193020	Covered strg	Ft. Wainwright, AK.
85—32.2	Hosp add/alter	Tripler Amc, HI.
85—6	Johnston Atoll chem ammo disposal sys	Johnston Isl, Pacific.
85—878	Pol dist point—Yohgsan	Korea.
85—817	Gymnasium-Colbern	Do.
86—1016	Flt cntrl tower—Page	Do.
86—1020	Aviation hangar—Page	Do.
85—172	Avn ops bldg	Cp Zama, JA.
86—371	Army Rec Ctr Sand Hill	Ft. Benning, GA.
86—386	Ranger camp mod	Do.
85—396	Tact equip shop	Do.
86—405	Expand maint fac	Do.
87—406	Upgrade acft pkg	Do.
85—817.300	Ranger battalion	Do.
85—191	Consol recreation fac	Ft. Bragg, NC.
85—368	Tac equip shop	Do.
87—388	Flight sim bldg	Do.
85—408	Multi-purpose rnge	Do.
85—418	Barracks w/AS	Do.
85—427	Comsec fac	Do.
85—428	Fm controls—ECIP	Do.
85—429	Heating plant mods	Do.
85—431	Insulate various bldgs	Do.
87—434	Med supply warehouse	Do.
83—439E	500-man shower/latrine	Do.
86—445	Bn hq and classroom	Do.
86—447	Vehicle maint shop	Do.
86—447	Co admin and supply	Do.
83—452E	Renovate emerg room	Do.
86—453	Helicopter maint hangar	Do.
85—456	Security ops trng fac	Do.
86—459E	Tacfire trng fac	Do.
86—468	Socom bks compl	Do.
86—470	Tmde calibration	Do.
86—471	Flight simulator	Do.
87—480	Hospital mods	Do.
86—122	Data processing fac	Ft. Gordon, GA.
86—145	Signal academic bldg	Do.
86—151	Barracks w/mess	Do.
85—152	Child care ctr	Do.
86—159	Satcom academic	Do.
86—162	Cidc ops bldg	Do.
88—149	Dining fac mod	Ft. Jackson, SC.
85—158	Troop med clinic	Do.
85—164	Trainee bks	Do.
85—241	Child care ctr	Ft. Stewart, GA.
86—271	Sniper range	Do.
86—284	Central veh wash fac	Do.
86—54	Substation road paving	Sunny Point Mont, NC.

LOST EFFORT DETERMINED IN FY 85—Continued

PY and project number	Project name	Location
85—095	Health clinic	Anniston Ad, AL.
85—249	Flight simulator bldg	Ft. Rucker, AL.
85—817.20	Toxic agent test fac	Dugway Proving Ground, UT.
86—225	Ammo stor igloos	Do.
86—232	Ops and eng ctr	Do.
84—180	Trng sup mat whse	Ft. Huachuca, AZ.
86—188	All source analysis ctr	Do.
84—60	Gymnasium	Ft. Hunter-Liggett, CA.
84—68	Multi-purpose range	Do.
84—150	Outdr court and fields	Ft. Irwin, CA.
86—175	Child dev ctr	Do.
85—179	Cold stor whse	Do.
86—174	Community ctr	Do.
85—191	Muti-purpose complex	Do.
85—176	Cent rec ctr	Do.
85—325	Dining fac mods	Ft. Ord, CA.
86—328	Urban trng range	Do.
85—83	Child care ctr	Oakland/Army Base, CA.
85—29	Recreation ctr	Presidio of Monterey, CA.
85—42	Logistic spt fac	Do.
85—53	Phys fit ctr	Do.
85—118	Child care ctr	Presidio of San Francisco, CA.

PROJECTS THAT ARE NO LONGER REQUIRED

Question. What projects included in the fiscal year 1987 request have you determined are no longer required in fiscal year 1987?

Answer. A requirement for the following projects in the FY 1987 budget request no long exists:

[Dollar amount in thousands]

Location	Project number	Description	Amount
Holston AAP, TN	70	Backup Electric Power	$2,950
Greece	19	Operations Building Modernization	730
Camp Greaves, Korea	1062	Tactical Equipment Shop	340

Question. What projects do not have the capability for initiation of construction in fiscal year 1987?

Answer. Through administrative error, construction start dates for two projects were incorrectly reported in the budget request. The correct dates are provided below:

[Dollar amount in thousands]

Location	Description	PA	Reported construction start	Correct construction start
Tagu, Korea	Underground Command and Control Facility.	$4,900	Feb 88	Feb 87
Pusan, Korea	Barracks	1,500	Feb 88	Feb 87

With the correction of the above data, all projects in the budget request are currently scheduled to be placed under contract in FY 1987.

PROJECT DESIGN LEVEL

Question. Provide for the record a listing of fiscal year 1987 projects that are not at the 35 percent design level as of February 1.

Answer. The fiscal year 1987 budget reflected seven projects not at 35 percent design completion as of December 31, 1985. As of February 1, 1986, only three of those projects remain at less than 35 percent design completion and are listed below together with the current working estimate (CWE): The two projects at Holston AAP are in our request for authorization only and will be funded in the ammunition procurement line of the DOD Bill.

[Dollar amount in thousands]

Location	Description	PA	CWE
Wildflecken, Germany	Vehicle Wash Facility	$3,800	$3,800
Holston AAP, Tennessee	Modernize A Composition Facilities Line 10	5,000	5,000
Holston AAP, Tennessee	Modernize Composition	3,000	3,000

Five additional projects were reported at 35 percent design completion on the basis that standard designs would be used. Those projects are listed below:

[Dollar amount in thousands]

Location	Description	PA	CWE
Ft Campbell, Kentucky	Fuel Pumping Station	$240	$256
Ft Benning, Georgia	Vehicle Wash Facility	9,100	9,283
Ft Benning, Georgia	Vehicle Wash Facility	4,000	4,029
Ft Hood, Texas	Vehicle Wash Facility	10,600	10,991
Ft Sill,Oklahoma	Vehicle Wash Facility	3,050	2,842

All five of these projects plus the Vehicle Wash Facility at Wildflecken, Germany qualify for site adaptation of a standard design which provides a good basis for the cost estimate. Site investigations have been initiated and have not revealed any problems that would affect project costs. All projects will be awarded during the fiscal year.

The two projects at Holston AAP can be awarded in the fiscal year and are included based on production and safety needs which mitigate against delay.

EXPIRED FUNDS

Question. Provide for the record the amount of funds that are expected to expire by the end of fiscal year 1986.

Answer. The Army expects that approximately $6 million in fiscal year 1982 funds will expire by the end of fiscal year 1986.

These funds will be retained by field offices for outstanding claims and necessary obligational adjustments.

FUNDED POSITION

Question. Provide for the record the Army's current funded position.

Answer. The Army estimates that a deficit of about $231 million exists in the fiscal year 1986 and prior year military construction programs. The rapid decline of the dollar overseas accounts for 174 million of this deficit. The balance of the estimated deficit is based on the current Government estimates of unawarded fiscal year 1986 projects after reduction in the funds sequestered under the Gramm-Rudman-Hollings Act. Management actions have been initiated to reduce the unawarded project estimates. To maintain fiscal responsibility some fiscal year 1986 projects may have to be deferred to offset the deficit caused by unfavorable foreign currency exchange rates.

NEW MISSIONS

Question. General Dacey, you indicate that 42 percent of the fiscal year 1987 request is for new missions. Would you discuss briefly what those new missions are.

Answer. All of the projects in each year's program are assigned to one of three mission categories; New and expanded missions, Current missions, or Replacement and modernization missions. The "new and expanded mission category is defined to include construction projects in direct support of new or expanded missions that are scheduled to be activated at an installation during the budget or subsequent years. This also includes projects required in direct support of equipment changes. In addition, it will include projects which are generated by the transfer of activities and/or personnel from one installation to another because of base closures or realignment of activities.

In the fiscal year 1987 program these "new missions" include the placement of flight simulators at several installations; facilities at Fort Leonard Wood, Missouri, to accommodate the transfer of the Engineer School from Fort Belvoir, Virginia; the new facilities at Fort Drum, New York, and the new and modernized facilities at Fort Wainwright, Alaska, for the new Light Infantry Divisions, and productivity improvement projects at various locations which will pay for themselves by improving operational efficiencies.

PACKAGING OF PROJECTS

Question. List for the record the projects in the fiscal year 1987 budget that are planned for packaging.

Answer. The following list includes the projects that are planned for packaging as a single construction contract. The local contracting officer has authority to package projects which may save funds and provide for more efficient construction. The list below totals $171.9 million. This total reflects an anticipated savings of $16.7 million by combining these projects.

[Dollar amount in thousands]

Project number	Description	Combined cost
Ft. Bragg, NC		$3,400
473	Range Complex	
479	Aerial Gunnery Range	
Ft. Devens, MA		16,300
197	Academic Instruction Facility	
198	Academic Instruction Facility	
Ft. Leonard Wood, MO		30,000
120	Engineer School/Post HQ	
219	Applied Instruction Facility	
Ft. Wainwright, AK		47,200
178	Tactical Equipment Shop	
183	Tactical Equipment Shop	
184	Tactical Equipment Shop	
Camp Casey, Korea		5,550
933	Automated Field Fire Range	
1178	Tank Range	
Camp Humphreys, Korea		9,750
1085	Tactical Equipment Shop	
1087	Aircraft Maintenance Hangar Addition	
1096	Unit Maintenance Hangar	
Yongson, Korea		4,500
1082	Tactical Equipment Shop	
1083	Tactical Equipment Shop	
1088	Upgrade Tactical Equipment Shop	
Hanau, Germany		17,100
1350	Facility Modernization	
2132	Aircraft Maintenance Hangar	
Schweinfurt, Germany		38,100
34	Facility Modernization	
1378	Facility Modernization, Phase IV	
2288	Tactical Equipment Shop	

TURNKEY PROCEDURES

Question. List for the record those projects in the fiscal year 1987 budget to be executed using one step turnkey procedures.

Answer. The following fiscal year 1987 projects have been scheduled to be performed using one step turnkey contracting procedures:

PN 387, Fire Station, Fort Benning, GA.
PN
PN 207, General Purpose Warehouse, Fort Irwin, CA.
PN 173, Applied Instruction Facility, Fort Jackson, SC.

ARCHITECTURAL FABRIC

Question. Which project in the fiscal year 1987 budget will utilize architectural fabric technology?

Answer. The following fiscal year 1987 project will utilize architectural fabric technology for a portion of the project requirement.

PN 7, Prepositioned War Material Facilities OCONUS unspecified (Southeast Asia).

FAMILY HOUSING VS. MILITARY CONSTRUCTION

Question. For the first time, the Army's family housing request for fiscal year 1987 exceeds the Army's military construction request. Explain why the Army is giving more emphasis to the family housing budget. Do you expect this same trend to continue over the next several years?

Answer. It should be noted that the family housing request is unlike the military construction request in that only 27 percent of the family housing request is for new construction and improvements with the remaining 73 percent for operations, leasing and maintenance. The Army has always been committed to improving the living conditions of its soldiers and their families. Particular emphasis has been given to that commitment since the appropriation was transferred to the Army in fiscal year 1983. The increased emphasis must continue until sufficient numbers of houses are available to eliminate the existing deficit (by end of fiscal year 1990) and necessary repairs and improvements are made to our existing inventory to attain contemporary standards of living for Army families.

[CLERK'S NOTE.—This concludes the questions submitted by Mr. Hefner.]

Mr. HEFNER. Thank you, gentlemen. Thank you very much.

THURSDAY, FEBRUARY 27, 1986.

AIR FORCE MILITARY CONSTRUCTION PROGRAM

WITNESSES

HONORABLE JAMES F. BOATRIGHT, DEPUTY ASSISTANT SECRETARY, INSTALLATIONS, ENVIRONMENT AND SAFETY

BRIGADIER GENERAL GEORGE E. ELLIS, DEPUTY DIRECTOR, ENGINEERING AND SERVICES DIRECTORATE, HEADQUARTERS, UNITED STATES AIR FORCE

STATEMENT OF THE CHAIRMAN

Mr. HEFNER. Today, the subcommittee will review the Air Force's fiscal year 1987 request of $1.77 billion for military construction. Our hearing today will focus on projects and programs in the United States. Overseas programs will be covered at later hearings. Our session today will be both open and closed. We will begin in open session and then close when it is appropriate. We intend to hold our discussions on the subjects of ASAT, the space program, the B-1, the Shuttle, and the OTH-B programs for the closed session.

We would like to welcome, along with Mr. Boatright, General George Ellis in his first appearance before the subcommittee as Director of the Air Force Military Construction Program.

We hope we are going to have as good a relationship as we did have with the late Duke Wright. I understand Friday will be his last day. We are happy to have you and I guess, Mr. Boatright, your entire statement will be made part of the record.

STATEMENT OF THE HON. JAMES F. BOATRIGHT, DEPUTY ASSISTANT SECRETARY, INSTALLATIONS, ENVIRONMENT AND SAFETY

Mr. BOATRIGHT. Mr. Chairman, I am Jim Boatright, I am here substituting for Tidal W. McCoy, Assistant Secretary of the Air Force. He became ill last evening and is unable to join us here this morning.

Mr. HEFNER. It didn't have anything to do with the President's speech?

Mr. BOATRIGHT. He did not say.

I have with me General Ellis, who will soon be the new Director of Engineering and Services for the Air Force and will be before this committee a number of times this year representing the Air Force. He is now the Deputy Director of Engineering and Service and will soon become the Director.

We are submitting a joint statement to you this year on the Air Force's military construction program for FY 87, which I would ask the chairman to incorporate into the record. In addition, I would like the opportunity to say a few brief words at the outset about the Air Force program this year.

First, I want to thank the committee for its support of Air Force in the past, particularly the ground launched cruise missile facilities in Europe, construction for the Peacekeeper missile, and facilities for the B-1B bomber and the air launched cruise missile deployment. Most of our request this year for these systems are to complete the final phases of our programs which this committee has so effectively supported in previous years. Your support has brought these programs to the point where they can be completed, for the most part, this year.

Secondly, I want to emphasize again how much we appreciate your loyal support of our goal to improve the working and living conditions for our Air Force personnel. We owe them an adequate work place and living conditions. This committee has clearly recognized the need and provided the necessary support. We thank you for this and ask for your support once again this year.

I also would like to note here that Major General Duke Wright, our present Director of Engineering and Services, who has testified before this committee many times, is retiring tomorrow. On the same day, Brigadier General Jud Ellis will be promoted and assume the top job himself. We are looking forward to working together and with this committee and its staff in order to assure a responsive and adequate military construction and housing program for the Air Force.

I would like to emphasize also that last year's reports of this committee have been carefully reviewed to assure that we are responsive to your requests and concerns. We have taken the necessary measures to provide comprehensive and timely information on the topics you have expressed particular interest in, such as the Shemya power plant, Korea accompanied tours, alternative construction methods and packaging of overseas contracts.

We have certified the C-130 beddown at Sembach Air Base, Germany, and are proceeding with the B-1B certification at McConnell Air Force Base, Kansas. We have accelerated design and rescoped various projects which you have specified in your reports.

We also have instituted new procedures to implement your requirements for additional congressional notifications and have taken note of your strong interest in reducing lost design. As part of our continuing dialogue and communication process with the committee, however, I would be remiss if I did not mention that there will always be some lost design because advance design is a pivotal factor in delivering projects on schedule.

We ask that the committee be receptive to our concerns and experience regarding some of the necessary costs of doing business. There is no doubt that the relatively small amount of cost associated with lost design is offset many times over by the efficiencies resulting from advance design.

As you have noticed, our budget request this year of $1.773 billion is $104 million less than last year. Medical facilities construction projects are no longer in our program. Our family housing request of $860 million is $84 million less than last year. The fiscal year 1987 budget submittal is the second consecutive decrease in our military construction program, by the way. The theme of this year's request is the construction of facilities to modernize strategic and conventional force structure, and to improve the quality of life for our people.

Our goal is to meet the facility needs of our work force through plant modernization while at the same time supporting our systems acquisition and readiness needs. We have taken a very hard look at all of our requirements in light of the strong drive to reduce the federal deficit. The request we are presenting today represents the result of extensive study, and constitutes the minimum requirements which we believe are necessary to sustain the strength of our military forces and continue the rebuilding process which you have supported in the past.

Historically, most of the cuts we have sustained during the congressional review process have been in modernization projects. These projects are vitally important to revitalize our work place and maintain the quality of life necessary to retain skilled personnel. This committee is fully aware of the importance of retention of experienced personnel to assure the existence of a professional force at a high state of readiness. We ask for your support so that these goals can be attained.

We have received mixed signals in recent years from the Congress regarding the source of funds for morale, welfare and recreation facilities at new bases or where there are expanded missions for existing bases. We have been forced to fund commissary and exchange facilities with surcharge dollars and exchange profits which we feel should have gone toward improvement projects at existing bases or, in the case of exchange profits, directly to our airmen as dividends to support other programs of that kind. Our understanding and assistance in resolving this issue to permit use of appropriated funds for such facilities at new bases or where there is an expanded mission will be greatly appreciated.

Before concluding, Mr. Chairman, I would like to briefly mention the impact of the Gramm-Rudman-Hollings legislation on our programs. These reductions are expected to amount to $81.5 million in FY 86 and $57.4 million in FY 85 and prior years. Our people are working very intensively to review all of our programs with as little redesign as possible and with minimum delay. But it is a difficult process, particularly since our projects were scrubbed down very hard initially to include only what was essential. Because of this situation, the execution of our program will require an unusual number of reprogrammings. We will need your help with these requests when the time comes.

Mr. Chairman, our program this year is a sound and well structured one which we submit as the minimum necessary to support our new weapon systems, and to modernize our physical plant to assure a productive work place and an appropriate quality of life for our personnel. I am honored to appear here today and will be glad to assist you in any way I can. General Ellis and I are prepared to answer any questions which you and the members of the committee may have on the specifics of the Air Force program. Thank you.

[The statement of Mr. Boatright follows:]

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO

SUBCOMMITTEE ON MILITARY CONSTRUCTION
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

FEBRUARY 27, 1986

SUBJECT: FISCAL YEAR 1987 MILITARY CONSTRUCTION PROGRAM

STATEMENT OF: HONORABLE JAMES F. BOATRIGHT, Deputy Secretary of the Air Force (Installations, Environment and Safety)

BRIGADIER GENERAL GEORGE E. ELLIS
Deputy Director of Air Force
Engineering & Services

NOT FOR PUBLICATION UNTIL RELEASED
BY THE COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

INTRODUCTION

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEES, I AM JAMES F. BOATRIGHT, ASSISTANT SECRETARY OF THE AIR FORCE FOR INSTALLATIONS, ENVIRONMENT AND SAFETY. I HAVE WITH ME THIS MORNING BRIGADIER GENERAL JUD ELLIS, DEPUTY DIRECTOR OF ENGINEERING AND SERVICES, UNITED STATES AIR FORCE. IT IS A PLEASURE FOR US TO APPEAR BEFORE YOUR COMMITTEE AND TO PRESENT THE AIR FORCE'S MILITARY CONSTRUCTION BUDGET FOR FISCAL YEAR 1987.

OVERVIEW

WE WOULD LIKE TO THANK THIS COMMITTEE FOR ITS SUPPORT OF SEVERAL IMPORTANT PROGRAMS. MOST IMPORTANTLY THE GROUND LAUNCHED CRUISE MISSILE IN EUROPE, CONSTRUCTION FOR THE PEACEKEEPER MISSILE, THE B-1B BOMBER AND AIR LAUNCHED CRUISE MISSILE DEPLOYMENT SCHEDULES, AND YOUR RECOGNITION OF THE NEED TO IMPROVE THE WORKING AND LIVING CONDITIONS OF OUR WORKFORCE.

WE WOULD LIKE TO EMPHASIZE THAT WE HAVE CAREFULLY REVIEWED THE FISCAL YEAR 1986 COMMITTEE AND CONFERENCE REPORTS TO INSURE THAT WE ARE RESPONSIVE TO YOUR REQUESTS AND CONCERNS. WE DO APPRECIATE YOUR INTEREST AND ARE WORKING TO PROVIDE THE COMMITTEE WITH THE REPORTS REQUESTED. THE SUBJECTS INCLUDE THE SHEMYA AFB POWER PLANT WIND STUDY, ALTERNATIVE CONSTRUCTION METHODS, KOREA ACCOMPANIED TOURS, AND PACKAGING OF CONTRACT OVERSEAS. IT IS OUR INTENT TO PROVIDE COMPREHENSIVE INFORMATION IN A TIMELY MANNER TO ASSIST THE COMMITTEE IN ITS DELIBERATIONS . IN REGARD TO YOUR CONCERNS OVER LOST DESIGN, WE ARE REDOUBLING OUR EFFORTS TO KEEP THIS TO AN ABSOLUTE MINIMUM. HOWEVER, WE DO ASK THE COMMITTEE TO UNDERSTAND THAT SOME LOST DESIGN IS AN UNAVOIDABLE COST OF ACCOMPLISHING ADVANCED DESIGN ON A PROGRAM OF THIS MAGNITUDE. WE KNOW THE COMMITTEE SHARES OUR CONVICTION THAT ADVANCE DESIGN IS ESSENTIAL TO PROVIDING THE BEST POSSIBLE PROGRAM ESTIMATES AND TO EARLY COST-EFFECTIVE EXECUTION OF THE PROGRAM. THERE IS NO DOUBT THAT THE RELATIVELY SMALL AMOUNT OF COSTS ASSOCIATED WITH LOST DESIGN IS OFFSET MANY TIMES OVER BY THE EFFICIENCIES PRODUCED BY SUCH PROCEDURES.

WE HAVE PROVIDED THE CERTIFICATION REQUESTED ON THE BEDDOWN OF THE C-130S AT SEMBACH AB, GERMANY, AND WE ARE PROCEEDING WITH THE ASSOCIATED CONSTRUCTION. WE ANTICIPATE THAT CERTIFICATION FOR THE BEDDOWN OF THE B-1 BOMBER AT MCCONNELL AFB, KANSAS WILL BE FORWARDED SHORTLY. IN ADDITION, WE ARE ACCELERATING DESIGN OF CERTAIN PROJECTS YOU IDENTIFIED SUCH AS THE WASTEWATER CONNECTION AT MCCLELLAN AFB, CALIFORNIA, AND STORM-DAMAGED FACILITIES AT KEESLER AFB, MISSISSIPPI. WE WILL RESCOPE THE FLORENNES AB CHAPEL AND THE RAMSTEIN AB DINING HALL BEFORE OBLIGATING FUNDS TO INSURE THESE FACILTIES ARE BUILT WITHIN THE AMOUNTS PROVIDED. ALSO, WE HAVE IMPLEMENTED NEW PROCEDURES TO PROVIDE NEWLY ESTABLISHED

CONGRESSIONAL NOTIFICATIONS. WE UNDERSTAND YOUR NEED FOR TIMELY INFORMATION ON THE PROGRAM AND WANT TO ASSIST IN EVERY WAY POSSIBLE BUT WE ARE CONCERNED THAT THE INCREASING NUMBER OF PRIOR CLEARANCES AND NOTIFICATIONS WILL DETRACT FROM AN EFFICIENT AND COST-EFFECTIVE EXECUTION OF THE PROGRAM. THE COMMITTEE'S UNDERSTANDING AND ASSISTANCE IN THIS REGARD WILL BE GREATLY APPRECIATED. PLEASE BE ASSURED THAT WE WILL CONTINUE WITH A DEDICATED EFFORT TO GET OUR CONSTRUCTION COMPLETED AND IN USE TO SUPPORT THE AIR FORCE MISSION AT THE EARLIEST POSSIBLE DATE.

OUR MILITARY CONSTRUCTION REQUEST FOR THIS YEAR IS $1.773 BILLION. THE CONSTRUCTION PROJECTS FOR MEDICAL FACILITIES ARE NO LONGER CONTAINED WITHIN OUR PROGRAM. WITH THE MEDICAL FACILITIES PROGRAM REMOVED, OUR REQUEST IS $104 MILLION LESS THAN LAST YEAR. THIS IS THE SECOND CONSECUTIVE DECREASE IN OUR MILITARY CONSTRUCTION PROGRAM REQUEST. OUR MILITARY FAMILY HOUSING REQUEST IS $860 MILLION WHICH IS $84 MILLION LESS THAN LAST YEAR'S SUBMITTAL. OUR REQUESTS FOR MILITARY CONSTRUCTION AND FAMILY HOUSING ADDRESS STRATEGIC AND CONVENTIONAL FORCE MODERNIZATION CONSTRUCTION AND OUR CONTINUING PURSUIT TO IMPROVE THE QUALITY OF LIFE FOR OUR PEOPLE.

OUR PLANT MODERNIZATION PROGRAM IS A COMBINATION OF WORKPLACE UPGRADES AND QUALITY OF LIFE IMPROVEMENTS. WE INTEND TO CONTINUE TO MEET THE FACILITY NEEDS OF OUR WORKFORCE

THROUGH PLANT MODERNIZATION WHILE AT THE SAME TIME SUPPORT THE AIR FORCE'S SYSTEMS ACQUISITION AND READINESS COMMITMENTS. OUR APPROPRIATION REQUEST FOR FISCAL YEAR 1987 CAN BE BROKEN DOWN AS ILLUSTRATED BELOW.

MILITARY CONSTRUCTION PROGRAM (MCP)
($MILLIONS)

	FY 86	FY 87
SYSTEMS ACQUISITION	693	588
READINESS	120	120
PLANT MODERNIZATION	1125	938
PLANNING AND DESIGN	144	127
TOTAL	2082	1773

WHILE THE CONGRESS AND THE AMERICAN PEOPLE HAVE BEEN SUPPORTIVE OF OUR RECENT EFFORTS, THE CONCERN OVER THE FEDERAL DEFICIT AND THE RECENT LEGISLATION MANDATING A BALANCED BUDGET COULD SEVERELY CONSTRAIN OUR FUTURE PROGRESS. BECAUSE OF THIS FISCAL CLIMATE, WE HAVE TAKEN A HARD LOOK AT OUR PROGRAM AND HAVE MADE THE NECESSARY CRITICAL DECISIONS. THIS YEAR'S REQUEST IS THE MINIMUM NECESSARY TO SUPPORT OUR MILITARY HARDWARE DEPLOYMENT, AND SUSTAIN OUR PEOPLE SUPPORTING THESE MISSIONS WHILE CONTINUING TO PROVIDE A SUPPORTIVE WORLDWIDE BASING STRUCTURE.

YOUR COMMITMENT TO RESTORING THIS NATION'S MILITARY STRENGTH MUST CONTINUE. OVER THE LAST FIVE YEARS, WE HAVE EMBARKED ON A COURSE TO REBUILD OUR MILITARY FORCES AND IN MY ESTIMATION HAVE BEGUN TO REGAIN THE NECESSARY MOMENTUM TO DEFEND THIS NATION.

HISTORICALLY, THE MAJORITY OF CUTS WE SUSTAIN DURING THE CONGRESSIONAL REVIEW AND APPROVAL ARE FOR MODERNIZATION PROJECTS. THIS DIRECTLY AFFECTS OUR EFFORTS TO REVITALIZE THE WORKPLACE AND INHIBITS OUR ABILITY TO ATTRACT AND RETAIN A PROFESSIONAL MILITARY FORCE. THE REVITALIZATION OF OUR WORKPLACE AND THE QUALITY OF LIFE OF OUR PEOPLE IS DIRECTLY RELATED TO OUR PRODUCTIVITY AND TO OUR ABILITY TO MAINTAIN A PROFESSIONAL MILITARY FORCE.

RETAINING QUALITY MEN AND WOMEN IS NOT AN EASY TASK. FOR EXAMPLE, THE LOSS OF AN F-15 FIGHTER PILOT WITH SEVEN YEARS EXPERIENCE AND 1,300 FLYING HOURS IS AN EXPENSIVE PROPOSITION. IT TAKES SEVEN YEARS AND MORE THAN $1 MILLION TO REPLACE HIM. WE CANNOT HIRE A FIGHTER PILOT "OFF THE STREET" OR FROM A COMPETITOR AS CAN BE DONE IN THE PRIVATE SECTOR. THE SHORT-TERM SAVINGS REALIZED BY DEFERRING QUALITY OF LIFE AND WORKPLACE UPGRADE PROJECTS DOES NOT NOW NOR HAS IT EVER MADE GOOD ECONOMIC SENSE. PROGRAM DEFERRALS ARE AN EXPENSIVE MISTAKE THAT SHOULD NOT BE TOLERATED IF WE ARE TO SUSTAIN OUR MILITARY CAPABILITIES. THIS YEAR, AS WE DID LAST YEAR, WE ARE ASKING FOR YOU TO COMMIT APPROXIMATELY 53 PERCENT OF OUR MILITARY CONSTRUCTION PROGRAM, EXCLUDING FAMILY HOUSING, TO MODERNIZATION OF THE PHYSICAL PLANT. WE HOPE YOU WILL HELP US CONTINUE THE PROGRESS MADE IN THE EARLIER YEARS OF THIS

DECADE. IF YOU ALLOW THE CURRENT FISCAL CLIMATE TO COMPROMISE NATIONAL SECURITY CONCERNS, THIS NATION WILL AGAIN BE FACED WITH A MILITARY CAPABILITY SIMILAR TO THE LATE 1970s---A MILITARY FORCE ILL-PREPARED TO CARRY OUT THE NATIONAL DEFENSE. WITH YOUR PERMISSION WE WILL NOW LOOK AT THE MAJOR ELEMENTS OF THIS YEAR'S PROGRAM.

GROUND LAUNCHED CRUISE MISSILES (GLCM)

YOU HAVE BEEN SUPPORTIVE OF OUR REQUESTS FOR GROUND LAUNCHED CRUISE MISSILE CONSTRUCTION AND WE NOW HAVE CONSTRUCTION AUTHORIZED AND FUNDED IN FIVE COUNTRIES.

THE CONSTRUCTION PROGRAM IS PROCEEDING WELL WITH INITIAL OPERATING CAPABILITY ACHIEVED AT GREENHAM COMMON, UNITED KINGDOM; COMISO, ITALY; AND FLORENNES, BELGIUM.

DESPITE POLITICAL PRESSURES TO DO OTHERWISE, THE U.S. AND ITS NATO ALLIES HAVE STOOD FIRM, AND HAVE PROCEEDED WITH DEPLOYMENT ON THE ORIGINAL SCHEDULE.

IT'S THIS RESOLVE, WE BELIEVE, THAT HAS CONTRIBUTED TO THE RETURN OF THE SOVIETS TO SERIOUS ARMS REDUCTION NEGOTIATIONS.

LAST YEAR THE CONGRESS PROVIDED A TOTAL OF $46 MILLION TO COMPLETE CONSTRUCTION AT GREENHAM COMMON, AND FLORENNES; AND CONTINUE CONSTRUCTION AT MOLESWORTH, UNITED KINGDOM, AND WUESCHHEIM, GERMANY, AND TO FUND TRAINING AND SUPPORT FACILITIES AT WOENSDRECHT, THE NETHERLANDS. IN OUR FAMILY HOUSING PROGRAM, WE RECEIVED AN IMPORTANT $47 MILLION FOR 680 HOMES AT THE BELGIUM AND GERMAN SITES.

IN FISCAL YEAR 1985, SUBSEQUENT TO ACTUAL DEPLOYMENT OF THE GLCM TO GREENHAM COMMON AND COMISO, YOU PROVIDED SCHOOLS AND HOUSING NEEDED FOR ACCOMPANIED TOURS. IN KEEPING WITH THE DEPLOYMENT SCHEDULE AND POLICY FOR ACCOMPANIED TOURS, LAST YEAR YOU PROVIDED FUNDING FOR HOUSING NEEDS FOR BELGIUM AND GERMANY, AND SCHOOLS IN BELGIUM AND THE UNITED KINGDOM. THIS YEAR, WE ARE REQUESTING A TOTAL OF $61.7 MILLION TO CONTINUE CONSTRUCTION AT GREENHAM COMMON, COMISO, FLORENNES, WUESCHHEIM, WOENSDRECHT, MOLESWORTH, AND DAVIS-MONTHAN AFB, ARIZONA. IN OUR FAMILY HOUSING REQUEST, WE SEEK $7.5 MILLION TO CONSTRUCT 100 UNITS AT WUESCHHEIM AND $12.2 MILLION TO LEASE 1,000 UNITS AT COMISO, FLORENNES, AND MOLESWORTH. IN THE DEPARTMENT OF DEFENSE SCHOOLS BUDGET, WE ARE REQUESTING $7.4 MILLION FOR A SCHOOL AT WOENSDRECHT. YOUR CONTINUED SUPPORT NOT ONLY REDUCES TRAINING EXPENSES AND PRECLUDES UNNECESSARY FAMILY SEPARATIONS; IT ALSO SENDS A STRONG SIGNAL TO OUR PEOPLE THAT THEY WILL BE FULLY SUPPORTED WHILE SERVING THEIR COUNTRY.

WE RECOGNIZE THE DILEMMA THE NETHERLANDS HAS CAUSED BY DELAYING ITS PARLIAMENTARY RATIFICATION OF THE DEPLOYMENT UNTIL EARLY SPRING OF THIS YEAR. WE ASK THAT YOU CONSIDER THE NEED TO KEEP OUR COMMITMENT TO THE ALLIANCE AND PROVIDE THE FUNDING NEEDED TO MAINTAIN THE CURRENT DEPLOYMENT SCHEDULE.

B-1B BOMBER

LAST YEAR YOU APPROPRIATED $211 MILLION WHICH ENABLED US TO CONTINUE WORK AT DYESS AND ELLSWORTH AND BEGIN CONSTRUCTION AT THE FINAL TWO B-1B BASES, GRAND FORKS AFB, NORTH DAKOTA AND MCCONNELL AFB, KANSAS.

THIS YEAR'S REQUEST OF $50 MILLION WILL ALLOW US TO VIRTUALLY COMPLETE OUR EFFORTS IN BEDDING DOWN THE 100 B-1B BOMBERS.

PEACEKEEPER

IN FISCAL YEAR 1986, THE CONGRESS AUTHORIZED $45 MILLION AND APPROPRIATED $56 MILLION IN MILITARY CONSTRUCTION FOR PEACEKEEPER SUPPORT FACILITIES AND THE SECOND INCREMENT OF ABOVE GROUND MISSILE SILO SITE WORK AND ASSOCIATED ROAD UPGRADE FOR 50 MISSILES.

OUR MILITARY CONSTRUCTION REQUEST THIS YEAR IS AGAIN CONSISTENT WITH CURRENT MISSILE PROCUREMENT PLANS AND WE ARE CONTINUING ON SCHEDULE FOR AN INITIAL OPERATIONAL CAPABILITY (IOC) IN DECEMBER OF THIS YEAR.

THIS YEAR'S REQUEST IS APPROXIMATELY $28 MILLION AND WILL PROVIDE FOR A SYSTEM ENGINEERING TEST SILO AND A MISSILE STORAGE FACILITY AT HILL AFB, UTAH; AND THE THIRD PHASE OF LAUNCH FACILITY SITE WORK, DEFENSE ACCESS ROADS, AND REAL ESTATE ACQUISITION, AS WELL AS AN ENERGY MONITORING AND CONTROL SYSTEM AT F.E. WARREN AFB, WYOMING. ADDITIONALLY, THIS YEAR'S REQUEST WILL PROVIDE THE FINAL INCREMENT OF SILO WORK NECESSARY TO DEPLOY FIFTY MISSILES.

OVER THE HORIZON-BACKSCATTER RADAR (OTH-B)

THIS RADAR SYSTEM IMPROVES EARLY WARNING AND ATTACK ASSESSMENT FOR THE ATMOSPHERIC THREAT. THE FISCAL YEAR 1986

PROGRAM APPROVED BY CONGRESS ALLOWED US TO BEGIN THE WEST COAST SITE, WITH CONSTRUCTION OF AN OPERATIONS CENTER AND SOFTWARE DEVELOPMENT FACILITY AT MOUNTAIN HOME AFB, IDAHO. THIS YEAR'S REQUEST OF $26 MILLION WILL COMPLETE THE CONSTRUCTION FOR THE EAST AND WEST COAST RADARS. IT PROVIDES SITE SUPPORT AT THE TRANSMITTER AND RECEIVER LOCATIONS COUPLED WITH PERSONNEL SUPPORT FACILITIES AT BOTH LOCATIONS. FUTURE PROGRAMS WILL CONTAIN OUR REQUESTS FOR CONSTRUCTION COVERING THE CENTRAL UNITED STATES AND ALASKA RADARS.

ANTI-SATELLITE SYSTEM FACILITIES (ASAT)

IN FISCAL YEAR 1985 CONSTRUCTION FOR ASAT STORAGE, MAINTENANCE, AND OPERATIONS FACILITIES AT LANGLEY AFB, VIRGINIA WAS AUTHORIZED. OUR REQUESTS FOR APPROPRIATIONS IN FISCAL YEAR 1985 AND 1986 WERE DENIED. THE MOST RECENT DENIAL WAS BASED ON A CONGRESSIONALLY IMPOSED MORATORIUM ON ASAT TESTING.

THIS YEAR'S PROGRAM REQUESTS AN EXTENSION OF THE ASAT AUTHORIZATION AND APPROXIMATELY $16 MILLION IN APPROPRIATIONS FOR FACILITIES AT LANGLEY AFB, VIRGINIA.

AIR LAUNCHED CRUISE MISSILE (ALCM)

THIS YEAR'S REQUEST OF $25 MILLION COMPLETES CONSTRUCTION OF WEAPONS STORAGE FACILITIES AT MINOT AFB, NORTH DAKOTA, THE LAST LOCATION FOR THE ALCM BEDDOWN.

MISAWA F-16 BEDDOWN

THIS IS THE FOURTH YEAR WE HAVE ASKED FOR FUNDS TO CONSTRUCT FACILITIES TO BEDDOWN F-16S AT MISAWA, JAPAN. PROJECTS AUTHORIZED AND FUNDED IN EARLIER FISCAL YEARS ARE UNDER CONSTRUCTION. THE GOVERNMENT OF JAPAN HAS MAINTAINED ITS COMMITMENT TO SHARE CONSTRUCTION COSTS. OF THE ESTIMATED $298 MILLION REQUIRED, THE GOVERNMENT OF JAPAN WILL FINANCE ABOUT 80 PERCENT. OUR REQUEST THIS YEAR FOR $10.3 MILLION INCLUDES ONLY THOSE PROJECTS WHICH THE GOVERNMENT OF JAPAN CANNOT CONSTITUTIONALLY SUPPORT--ADDITIONAL MUNITIONS STORAGE AND MUNITIONS LOADING FACILITIES.

SOURCES OF FUNDS FOR COMMUNITY SUPPORT

OF MAJOR CONCERN TO THE AIR FORCE AND AN ISSUE THAT GENERATES A GREAT DEAL OF DISCUSSION HAS TO DO WITH THE SOURCE OF FUNDS FOR "MORALE, WELFARE, AND RECREATION (MWR) ACTIVITIES" FOR NEW BASES OR EXPANDED MISSIONS ON EXISTING BASES. THE DEPARTMENT OF DEFENSE POLICY FOR FUNDING THESE FACILITIES IS VERY CLEAR; HOWEVER, WE HAVE CONTINUED TO RECEIVE MIXED SIGNALS FROM THE CONGRESS. BECAUSE OF THE URGENT NEED TO PROVIDE FACILITIES FOR THESE MISSIONS, WE HAVE BEEN FORCED TO FUND COMMISSARY AND EXCHANGE FACILITIES WITH SURCHARGE DOLLARS AND EXCHANGE PROFITS THAT SHOULD HAVE GONE TOWARDS IMPROVEMENT PROJECTS ON EXISTING BASES OR, IN THE CASE OF EXCHANGE PROFITS, DIRECTLY TO THE AIRMEN AS DIVIDENDS TO SUPPORT OTHER CRITICAL MWR PROGRAMS.

LAST YEAR CONGRESS AUTHORIZED TEN PROJECTS TOTALING APPROXIMATELY $11 MILLION THAT WERE EITHER IN SUPPORT OF NEW MISSIONS OR WHICH OTHERWISE MET THE CONDITIONS FOR APPROPRIATED FUND SUPPORT. HOWEVER, WE WERE DENIED APPROPRIATIONS FOR THESE PROJECTS AND DIRECTED TO USE NONAPPROPRIATED FUNDS. WE CONTINUE TO BE PLACED IN A "CATCH 22" SITUATION AND REQUEST YOUR SUPPORT IN RESOLVING THIS ISSUE. AIR FORCE PEOPLE SHOULD NOT HAVE TO BEAR THE COSTS FOR COMMUNITY SUPPORT FACILITIES BEING CONSTRUCTED IN LOCATIONS WHERE THEY ARE DEFENDING THIS NATION. APPROPRIATED FUNDS SHOULD BE USED TO SUPPORT OUR MORALE, WELFARE AND RECREATION REQUIREMENTS AT NEW AND EXPANDED MISSION SITES.

THIS YEAR WE ARE REQUESTING APPROXIMATELY $17 MILLION FOR 11 PROJECTS THAT CLEARLY QUALIFY UNDER DOD CRITERIA FOR APPROPRIATED FUNDING BUT COULD FALL PREY TO THIS FUNDING AMBIVALENCE. WE ASK FOR YOUR SUPPORT AND ASK YOU TO CLEAR THIS SITUATION.

PLANT MODERNIZATION

OUR APPROPRIATION REQUEST FOR THIS YEAR IS $938 MILLION. IMPROVING THE WORKPLACE THROUGH UPGRADE AND REPLACING EXISTING INADEQUATE FACILITIES ACCOUNTS FOR APPROXIMATELY $716 MILLION. THE REMAINING $222 MILLION IS IN SUPPORT OF OUR QUALITY OF LIFE PROJECTS---DORMITORIES, GYMNASIUMS, CHAPELS, DINING HALLS, AND EDUCATION CENTERS. THIS IS A PRUDENT INVESTMENT AND SIGNIFICANTLY CONTRIBUTES TO THE AIR FORCE'S OVERALL WAR FIGHTING STRENGTH.

WORKPLACE ENHANCEMENT-- UPGRADE AND REPLACEMENT OF EXISTING INADEQUATE FACILITIES IS AN INVESTMENT IN THE FUTURE OF THE AIR FORCE AND IT'S AN INVESTMENT THAT MUST NOT BE DEFERRED. THIS INVESTMENT PROVIDES THE NECESSARY RESEARCH AND DEVELOPMENT LABORATORIES AND TEST FACILITIES NECESSARY TO ALLOW US TO MAINTAIN OUR TECHNOLOGICAL EDGE, WHILE PROVIDING THE PROPER TRAINING ENVIRONMENT TO TRAIN OUR FUTURE AIRMEN, TECHNICIANS, AIRCREWS, AND MISSILE CREWS. FACILITIES THAT MEET OUR OPERATIONAL NEEDS SUCH AS MAINTENANCE AND PRODUCTION SHOPS DIRECTLY RELATE TO THE NUMBER OF COMBAT SORTIES WE FLY. WE CANNOT MEET OUR OPERATIONAL GOALS AND RESPONSIBILITIES IF WE DO NOT PROVIDE WORKING AND TRAINING FACILITIES FOR OUR PEOPLE.

QUALITY OF LIFE--YOU HAVE BEEN VERY SUPPORTIVE OF OUR INITIATIVE IN THIS AREA, AND WE NEED YOUR CONTINUED SUPPORT. AS PREVIOUSLY MENTIONED, THE LOSS OF ONE FIGHTER PILOT IS A VERY EXPENSIVE LOSS. ALTHOUGH NOT AS COSTLY, THE LOSS OF HIGHLY TRAINED TECHNICIANS IS ALSO EXPENSIVE. THE MORALE OF OUR PEOPLE IS CRITICAL IF WE ARE TO RETAIN A MOTIVATED AND PROFESSIONAL FORCE. PROVIDING OUR PEOPLE ADEQUATE FACILITIES SUCH AS HOUSING, DORMITORIES, CHILD CARE CENTERS, DINING HALLS, GYMNASIUMS, AND OTHER RECREATIONAL FACILITIES IS AS IMPORTANT TO THEIR MORALE AND RESULTANT DECISION TO REMAIN WITH THE AIR FORCE AS ANY OTHER SINGLE INVESTMENT. OUR PEOPLE EXPERIENCE ADVERSITIES NOT ENCOUNTERED IN THE PRIVATE SECTOR. THE FREQUENT MOVES AND ASSOCIATED PERSONAL AND FINANCIAL TRAUMA, FAMILY SEPARATION, ISOLATED WORKING AND LIVING

CONDITIONS AT REMOTE OVERSEAS LOCATIONS, AND THE INHERENT RISKS ASSOCIATED WITH TRAINING FOR WAR MUST BE ACCOMMODATED TO INSURE THAT OUR HIGHLY TRAINED PEOPLE REMAIN WITH US. WE ARE WISELY INVESTING THE TAXPAYERS' MONEY BY PROVIDING AN ADEQUATE PLACE FOR OUR PEOPLE TO WORK AND TO LIVE. OUR PEOPLE NEED AND DESERVE THESE FACILITIES. WE MUST CONTINUE TO INVEST IN OUR PEOPLE SINCE THEY ARE OUR MOST EXPENSIVE RESOURCE.

FAMILY HOUSING

FAMILY HOUSING IS NECESSARY TO SHELTER OUR MARRIED AIRMEN AND THEIR FAMILIES WHERE ADEQUATE HOUSING IS NOT AVAILABLE IN THE LOCAL COMMUNITY.

OUR AVERAGE ON-BASE HOUSEHOLDS ARE THE FAMILIES OF JUNIOR SERGEANTS AND CAPTAINS. THESE YOUNG SERVICE MEMBERS ARE THE SKILLED AIRCRAFT TECHNICIANS OR HIGHLY TRAINED AIRCREW MEMBERS. OUR INVESTMENT IN THESE INDIVIDUALS IS SIGNIFICANT AND THE TAXPAYERS MONEY HAS BEEN WELL SPENT ON THEIR HOUSING REQUIREMENTS. MANY ARE AT THE POINT IN THEIR CAREER WHERE THEY WILL DECIDE TO LEAVE OR CONTINUE WITH THE AIR FORCE. THESE DECISIONS ARE FAMILY DECISIONS AND THE LIVING ENVIRONMENT WE PROVIDE WILL HAVE A SIGNIFICANT AFFECT ON THAT DECISION. WE MUST PROVIDE ADEQUATE FAMILY HOUSING AT THOSE LOCATIONS WHERE THE LOCAL COMMUNITY CANNOT, IF WE ARE TO RETAIN OUR HIGHLY SKILLED FORCE. THIS INCLUDES OVERSEAS LOCATIONS AS WELL AS LOCATIONS IN THE UNITED STATES. OUR PEOPLE CANNOT DECLINE AN ASSIGNMENT SIMPLY BECAUSE THERE IS NO ADEQUATE OR AFFORDABLE HOUSING. IT IS INCUMBENT ON BOTH THE

CONGRESS AND THE MILITARY TO INSURE THAT HOUSING IS AVAILABLE WHENEVER WE AUTHORIZE ACCOMPANIED TOURS FOR OUR PEOPLE. IT IS PREFERABLE TO USE THE LOCAL COMMUNITIES TO HOUSE OUR MARRIED PEOPLE; HOWEVER, THIS IS NOT ALWAYS POSSIBLE. OVER THE NEXT FIVE YEARS, HOUSING SHORTAGES FOR OUR FAMILIES IN LOCATIONS WHERE LOCAL HOUSING IS UNAVAILABLE EXCEEDS 24,000 UNITS. THIS DEFICIT SPREADS ACROSS 50 INSTALLATIONS WORLDWIDE. THIS YEAR'S PROGRAM REQUESTS FUNDS FOR THE CONSTRUCTION OF ONLY 523 NEW HOUSING UNITS AT FOUR LOCATIONS WITH MOST (92 PERCENT) IN OVERSEAS LOCATIONS. THIS IS WHERE OUR MEMBERS EXPERIENCE THE GREATEST DIFFICULTY IN FINDING ADEQUATE HOUSING. MORE THAN 75 PERCENT OF THESE UNITS ARE FOR OUR ENLISTED MEMBERS AND THEIR FAMILIES.

EQUALLY IMPORTANT IS THE MAINTENANCE OF OUR EXISTING HOUSING INVENTORY AT 150 INSTALLATIONS WORLDWIDE THROUGH OUR OPERATIONS AND MAINTENANCE ACCOUNTS. THE EXISTING WORLDWIDE INVENTORY IS NEAR 30 YEARS OLD ON AVERAGE, AND THE ESTIMATED REPLACEMENT VALUE IS OVER $11 BILLION. MAJOR EXPENDITURES ARE REQUIRED TO CORRECT CONTINUING MAINTENANCE PROBLEMS - ROOFS AND EXTERIOR SIDING NEED REPLACEMENT AND UTILITY SYSTEMS ARE OLD AND INEFFICIENT. OUR FAMILIES ARE LIVING WITH INADEQUATE KITCHENS, BATHROOMS, AND STORAGE AREAS. WE MUST PROVIDE THE SAME LEVEL OF LIVABILITY IN OUR HOMES AS IS FOUND IN THE LOCAL ECONOMY. WE ARE ASKING THAT YOU PROVIDE US WITH THE FUNDS REQUESTED SO WE CAN MAKE OUR HOMES LIVABLE. THIS IS ANOTHER INSTANCE WHERE WE MUST CONTINUE TO INVEST IN OUR PEOPLE THROUGH QUALITY OF LIFE PROGRAMS. WE ARE LOOKING FORWARD TO DISCUSSING OUR PROGRAM AT THE UPCOMING FAMILY HOUSING HEARING.

BEFORE CONCLUDING MR CHAIRMAN, WE WOULD LIKE TO BRIEFLY MENTION THE GRAMM-RUDMAN-HOLLINGS BALANCED BUDGET LEGISLATION. THE PRESIDENT'S FISCAL YEAR 1987 BUDGET PROVIDES THE DEFICIT REDUCTIONS SPECIFIED UNDER THIS LEGISLATION.

UNDER THIS LEGISLATION A REDUCTION OF APPROXIMATELY FIVE PERCENT HAS BEEN MADE TO THE FISCAL YEAR 1986 MILITARY CONSTRUCTION PROGRAM AND UNOBLIGATED BALANCES FOR FISCAL YEAR 1985 AND PRIOR. THESE REDUCTIONS AMOUNTED TO $81.5 MILLION FOR FISCAL YEAR 1986 AND $57.4 MILLION TO FISCAL YEAR 1985 AND PRIOR. ALL OF OUR FIELD ACTIVITIES ARE CURRENTLY REVIEWING THEIR PROGRAMS TO PERMIT CONSTRUCTION UNDER THIS REDUCED FUNDING PROFILE. WE ARE TRYING TO DO THIS WITH AS LITTLE REDESIGN AS POSSIBLE AND WITH MINIMUM DELAY IN PROVIDING THESE ESSENTIAL FACILITIES WHICH YOU HAVE APPROVED. THIS IS A VERY DIFFICULT PROCESS, SINCE OUR PROJECTS, AS APPROVED BY CONGRESS, INCLUDED ONLY THE ESSENTIALS NECESSARY TO PROVIDE THE FACILITIES NEEDED TO SUPPORT OUR MISSION.

MANY OF OUR BEST PEOPLE ARE WORKING ON THIS PROBLEM AND WE WILL GET THE BEST POSSIBLE FACILITIES FOR THE DOLLARS AVAILABLE. HOWEVER, THE EXECUTION OF THE PROGRAM WILL REQUIRE AN UNUSUAL NUMBER OF REPROGRAMMINGS. WE WILL NEED YOUR HELP.

CONCLUSION

MR CHAIRMAN, THIS YEAR'S REQUEST PROVIDES A BALANCED PROGRAM THAT SUPPORTS OUR WEAPONS SYSTEMS BEDDOWNS AND OUR PLANT MODERNIZATION. THE REQUEST REPRESENTS A COMMITMENT BY THE AIR FORCE LEADERSHIP TO IMPROVE THE LIVING AND WORKING CONDITIONS OF ITS PEOPLE. AS WE HAVE EMPHASIZED, THIS ENVIRONMENT HAS A FAR REACHING IMPACT ON PRODUCTIVITY, RETAINABILITY, AND EFFECTIVENESS OF THE UNITED STATES AIR FORCE.

OUR COMMITMENT IS TO PROVIDE THE NATION AN AIR FORCE CAPABLE OF DEFENDING OUR NATIONAL INTERESTS. THIS MISSION CAN ONLY BE ACCOMPLISHED WITH WELL TRAINED AND HIGHLY MOTIVATED PEOPLE. OUR PEOPLE ARE OUR PRIORITY. WITH YOUR SUPPORT WE WILL BE ABLE TO CONTINUE OUR MODERNIZATION PROGRAM.

MR CHAIRMAN, WE ARE HONORED TO BE ABLE TO APPEAR BEFORE YOU TODAY REPRESENTING THE AIR FORCE. WE ARE PREPARED TO ANSWER YOUR QUESTIONS.

BID ADDITIVES PROCEDURE

Mr. **Hefner**. Thank you, Mr. Boatright. We are happy to have you.

To what extent will the Air Force use a bid additives procedure to meet the specific project reductions?

Mr. **Boatright**. It has been our practice over the years to include additives in construction projects when our estimates toward the final design stage showed that we were close to the appropriated amount. In order to provide some flexibility in the decision making process when bids were opened, we have included additives. We would plan to continue the use of additives. We would, however, not want to include additives for elements which were considered absolutely essential because we believe this would be unfair to the construction community.

Mr. **Hefner**. What flexibility do you have in using O&M or procurement funds to pay for possible bid additives on projects such as parking lots, landscaping, and built in equipment?

Mr. **Boatright**. We have no flexibility to do that. We would have to include all of the essential elements in the project. If we were to defer a portion of the project we would have to accomplish that at a later date under a construction project.

General **Ellis**. If I might add, the rules say we can't do anything in alterations to the facility for one year after the Beneficial occupancy date. The rules, existing today, assure that we don't use O&M funds in it. If a facility is one year old at that point, the $200,000 limit then comes into play.

HOUSING SHORTAGE

Mr. **Hefner**. Your statement alludes to a shortage of 24,000 houses in 50 locations worldwide in the next five years. What is the basis for this large number and how Does Your Budget Request respond to this apparent shortage?

Mr. **Boatright**. Most of our shortages are at our overseas locations—about 20,000 of that deficit. We are responding in a number of ways at overseas locations. We are responding through the build lease program, we are responding through programming of additional facilities in the military construction program, we are responding to that requirement through the Japanese improvement program in locations in the Pacific, such as Okinawa and Misawa, and it is our intent to continue with those multi-approaches until we can satisfy this deficit. By far the most critical part of our deficit in family housing is in the overseas area.

801 PROGRAM

Mr. **Hefner**. Mr. Boatright, both the Army and Navy are pursuing the 801 program this year at various locations. The Air Force, however, has not chosen at this point to pursue this program. What are the Air Force's intentions on pursuing the 801 program in 1986?

I am not complaining at all that you are not pursuing the 801 program. It is not the most pleasant and hasn't been the most pleasant thing for us in this committee.

Mr. BOATRIGHT. No sir, it hasn't been real pleasant for us as you will recall.

As Mr. McCoy told you during an earlier discussion when we were talking about the project at Hanscom, we indicated that we had some difficulties with the 801 authority. Our primary concern with the 801 authority was the lack of certainty of ownership at the end of the term. This was for projects that were located on government property, on our installations, and we have decided that we do not want to pursue that authority anymore on government owned property.

We are still considering the possibility of pursuing the extended authority that was granted this past year by the Congress under 801 for some of our CONUS installations, for off base Housing that would be on private property. We would only do this, however, if the Office of the Secretary of Defense and the four oversight committees, including this committee, can reach an agreement on how we determine cost effectiveness. We believe that it is a viable solution at some locations. We believe that it can be shown to be cost effective at some locations, but until we can reach an agreement on a way of measuring the cost effectiveness we do not want to pursue it.

We understand this is under discussion now with your committee staff and the other committee staffs, by representatives of the Office of the Secretary of Defense and we are awaiting that outcome. If that outcome should be favorable, that is, if there is an agreement reached, then we would propose to pursue the authority for the 600 build lease housing under section 801.

COMMUNITY AND RECREATIONAL CENTERS

Mr. HEFNER. Last year the Congress denied all funds requested for recreation centers, libraries and other community facilities because of their low operational utility and the overall budget constraints. In addition, the funds requested for nonappropriated fund type projects such as exchanges and youth centers, were denied. This year the Air Force has again requested all of these facilities. Why should Congress approve these requests this year? We have the same basic problem this year only it is probably worse than it was last last year.

Mr. BOATRIGHT. The Air Force looks at our facility requirements in a balanced way. We believe that community support facilities are extremely important to the overall morale which we believe is key to the readiness of the Air Force. Therefore, we believe that even when budget times are tight, it is prudent for the government to continue to invest in community support facilities. Therefore, we have included once again some community support facilities in the balanced Air Force budget request for military construction.

In regard to those projects at new bases or where we are expanding missions, where there continues to be a difference between the Department of Defense policy and what the Congress is willing to authorize and appropriate funds for, we remain convinced that these facilities at these new locations, expanded locations, should not place a burden on nonappropriated morale, welfare and recreations funding of the Air Force.

FORT MACARTHUR PERSONNEL SUPPORT FACILITY

Mr. **Hefner**. You have a request for $3 million at Fort MacArthur for a youth center, hobby shop and beauty shop. Can you give me the rationale for that request? That is not a new base.

Mr. **Boatright**. Fort MacArthur is a housing area that we just recently developed to support our Los Angeles activities and we believe these elements to be an important part of the community's environment that we are trying to develop at Fort MacArthur as well as at other Air Force installations.

I will ask General Ellis if he would like to expand on the specifics concerning that.

General **Ellis**. It is just a natural projection of family housing communities to the community support that adds to the quality of life of the folks that we put in the Los Angeles area, which I am sure you know is terribly expensive for our people.

[**Clerk's note**.—The following question was submitted by Mr. Hefner:]

Question. Why have appropriated funds been requested for youth center, hobby shop and other functions normally funded with NAF funds?

Answer. Nonappropriated funds will be used to provide secondary utilities, functional specific walls/partitions, doors, lighting, fixtures, wall/floor covering and equipment for nonappropriated funded (NAF) functions like the youth center, hobby shop, exchange shoppette, barber/beauty shop and laundry/dry cleaners. Other proposed functions included are traditionally funded through appropriated funds, i.e. the chapel, library and physical fitness center. Appropriated funds are being requested to remove the existing interior and construct new major walls, ceilings, floor covering and utilities in the facility.

Fort MacArthur is the housing area for personnel assigned to Los Angeles AFS 22 miles away, and provides quarters for approximately 1,600 military members and dependents. The installation has 236 faimily housing units, 51 bachelor units, and 22 temporary lodging units. An additional 170 family units were approved in the FY 1985 budget. This project supports personnel living at Fort MacArthur.

BASE CLOSURES

Mr. **Hefner**. The Secretary of Defense included Lowry AFB, Colorado in his recent letter to Senator Goldwater on base closures. Why was Lowry on the list. Is the Air Force ready to close it and why will it cost $250 million to replace it somewhere else?

Mr. **Boatright**. Yes sir, the Air Force did nominate Lowry when requested by the Secretary of Defense to identify a base which we could close. Our primary reason for selecting Lowry is that Lowry is not a flying base, it does not have a flying capability. It is a technical training center. We have four other technical training centers where we could relocate by constructing new facilities at those locations and relocate the mission we accomplish at Lowry. That is the reason for the $250 million. We have a very expensive plant at Lowry and we would have to rebuild that plant at these other locations.

Lowry is also located on some very high value property and the government, once we relocate our facility, could excess that property and sell it, and therefore some additional revenue could flow, not to the Air Force, but to the government.

Let me add that the Air Force does not want to close any more bases. We believe that our base structure today is optimum and that we should not close any bases except if they are required in order to meet budget constraints. If that is the determination, that we must close some bases, then the Air Force will continue to cooperate and try to identify those bases which we believe will turn into the most economic advantage to the government over time.

The operating costs at a base like Lowry are considerable and the annual recurring savings resulting from closing that base would pay back the capital investment in a matter of just a few years and that is the whole idea behind the base closure.

Mr. HEFNER. Maybe in the long run, if you look at long term, however to get the cost savings of closing Lowry, it is going to cost you $250 million to replace it. According to recent public statements, Lowry AFB has been designated as the primary location for space operations training. Explain why Lowry AFB was chosen and how its selection for this mission relates to the base closure issue. You gave me some reasons. Tell me why this base, particularly since we have some information that it was fairly strategic.

Mr. BOATRIGHT. It is a difficult question—the question of what bases the Air Force is to close. We were asked to identify a base. We had looked at our structure during this past year because of some base closure discussions that took place between the department and the Congress last year. We have gone through a fairly detailed evaluation of our structure. We had identified a number of bases out of that evaluation that, if we were given money to replace the facilities, we probably could move our operations and minimize the impact on the Air Force.

Mr. HEFNER. Were there some other candidates for closing?

Mr. BOATRIGHT. We looked at a number of bases. I would prefer not to mention them, because it would trigger another concern for another community, and these things are very disruptive to not only the installation but they are disruptive to the local community. We are reluctant to identify bases that may be considered in the future because of that.

Mr. HEFNER. That couldn't be available for this committee?

Mr. BOATRIGHT. Yes sir. As I said, if this committee wants the information, we will certainly provide the information.

Mr. HEFNER. Maybe when we close the session you can give me this information, I don't want this information to go to the press and say these are candidates. However it seems kind of odd, with as many bases as we have got, there would not have been some close scrutiny.

Mr. RUDD. Would you yield?

Mr. HEFNER. Sure.

Mr. RUDD. I agree with you on what you have in mind and what should be done, but I would plead with you to do exactly what we are talking about here, and the reason I would is because you know better than we now, as to what you can best do without, and when you know you are going to have to do without something. If you leave it to us to start cutting, we might cut some important bases like Luke Airfield or something like that in Arizona. I think that is a good reason for you to help us on that, otherwise we may do something entirely that would not be beneficial or would be detrimental to the Air Force.

Thank you.

Mr. **Boatright**. Yes sir.

[**Clerk's note**: The following questions were submitted by Mr. Hefner:]

Question. What is the basis of the $250 million estimates?

Answer. The $250,000,000 was based on preliminary estimates of: $120,000,000 housing for approximately 6,000 unaccompanied personnel; $110,000,000 for approximately 1,000,000 square feet of technical training space; and $20,000,000 for various support facilities.

Question. Why is it considered a cost savings to close Lowry AFB if it will cost $250 million to replace it?

Answer. Savings associated with a base closure are generally outyear savings. This is because military construction funds must first be spent to prepare gaining locations to accept displaced misions. Additional expenditures are necessary to move personnel and equpment. Economies are realized only after the base has been reduced or closed. Savings are made up of the operations and maintenance monies no longer required to run the base, and the overhead and support manpower. In the case of Lowry, it will take approximately six years to amortize the relocation costs. Savings would be realized each year thereafter.

[**Clerk's note**.—This concludes Mr. Hefners questions.]

PETERSON AFB—SPACE OPERATIONS TRAINING CENTER

Mr. **Hefner**. The Air Force has planned an $11.4 million space operations training center for Peterson AFB, Colorado, according to the budget justification. Can you explain the apparent inconsistency? It does not tie into Lowry?

Mr. **Boatright**. Let me defer to General Ellis to answer that question.

General **Ellis**. The space operations training center we identified at Peterson is an advanced training center; initial training would have to go to one of the other training centers if Lowry is closed.

Mr. **Hefner**. You wouldn't be thinking about $11.4?

General **Ellis**. We would be thinking about it at Peterson AFB.

Mr. **Boatright**. What we would do with Lowry, if we were to close Lowry, is take those missions and spread them out over the rest of the technical training structure, build facilities and then transfer the training missions to those bases.

[**Clerk's note**.—The following questions were submitted by Mr. Hefner:]

PETERSON AFB—SPACE OPERATIONAL INTELLIGENCE CENTER

Question. The Committee was recently notified of the design of a Space Operational Intelligence Center at Peterson AFB, Colorado.

What is the purpose of this facility and why is it located at Peterson AFB?

Answer. The Space Operations Intelligence Center (SOIC) is a FY 1988 General Defense Intelligence Program (GDIP) initiative to create a space intelligence production center for Space Command and the intelligence community. It will provide direct support to the U.S. Space Command and NORAD Indications & Warning (I&W) functions in the Cheyenne Mountain Complex (CMC).

Space operational intelligence is a rapidly growing area requiring significantly expanded analytical and data processing capabilities. This facility creates a Sensitive Compartmented Information Facility (SCIF) to house the SOIC, an operation planned to grow to approximately 178 people. For efficient functional interfaces, the facility must be located as close as possible to the Cheyenne Mountain Complex, HQ U.S. Space Command, and HQ Air Force Space Command; it cannot be accommodated in the CMC proper due to lack of available floorspace. Peterson AFB is the closest USAF installation to the CMC and is also the site of U.S. Space Command and Air Force Space Command headquarters.

Question. Why can it not be located in the $20 million SPACE Command headquarters now under construction?

Answer. The NORAD and Space Command Headquarters facility, approved in the FY 1985 MCP, only accommodates the NORAD and Space Command headquarters staff. It is not sized or designed to accommodate any portion of the Space Operational Intelligence Center. No secure space in the facility is available to accommodate this mission.

Question. It is not listed as a future project in any justification material. When is it programmed for construction?

Answer. The facility is programmed for construction in the FY 1988 MCP in order to meet operational mission requirements.

Question. What are the current missions supported by the mission control centers at Sunnyvale AFS and which are scheduled to move to CSOC?

Answer. The Satellite Test Center, Sunnyvale AFS, CA, supports most of the DoD satellite programs. Today the specific programs supported include:

Defense Support Program (DSP); Global Positioning System (GPS) Program; Defense Meteorological Satellite Program (DMSP), Communication Satellite Programs (COMSATs), Shuttle; R&D Sortie Missions; Upper Stage; Space Test Program (STP); Special Classified Programs.

In 1987 and 1988, Consolidated Space Operation Center Mission Control Complexes (MCCs) 1 and 2 will become operational. MCC 1 will host DSP and GPS and eventually DMSP. MCC 2 will host the COMSATs. The two vacated MCCs at the STC will support the research, development and acquisition functions of Air Force System Command including launch, early orbit checkout and satellite malfunction resolution of the transferred programs and new programs, such as MILSTAR.

Question. Do the $2.6 million upgrades support missions which are scheduled to move to CSOC? If so, why are these upgrades required?

Answer. Two projects make up the $2.6 million. One is the Advanced Remote Tracking Station (ARTS) Development and Modification Facility for $0.6 million; this is separate from the missions to be moved to CSOC. The other project is the Mission Control Complex Alteration for $2.0 million. This project will reconfigure an area on the third floor of Satellite Test Center (STC) to accommodate the Research, Development and Acquisition (RD&A) mission control complex and provide an expanded TEMPEST shielded area in the STC annex to allow consolidation of operations and operations personnel for a classified program. The RD&A complex will provide launch, early orbit checkout and satellite malfunction resolution of operational and new satellite programs. The Global Positioning System and Defense Support programs will be in the RD&A facility temporarily until transfer to the Consolidated Space Operation Center.

[CLERK'S NOTE.—This concludes Mr. Hefner's questions.]

ACCOMPANIED TOURS, KOREA

Mr. HEFNER. In March of 1985 the Air Force apparently adopted a policy of expanding the number of accompanied tours to Korea. However, the complete plan and the resources necessary to pay for it have not been developed. Can you tell us what magnitude of increase in accompanied tours the Air Force is contemplating and how much it will cost?

Mr. BOATRIGHT. To answer your question——

Mr. HEFNER. Let me make that into a two part question.

Why did the Air Force adopt this policy of increasing accompanied tours without knowing how much it would cost?

Mr. BOATRIGHT. The Air Force adopted a policy, as you indicated, to go to an increased number of accompanied tours in Korea because we believe that it would greatly enhance our operational readiness and capability by virtue of the fact that we will be able to have people on site in key jobs for a longer period of time and therefore, get away from a lot of this business of learning the job the first half of the year and then the next half of the year counting the days until you are going to be able to go home and join your family. If we can go with more accompanied tours we believe that we can counter this and improve the readiness and the actual capability of the force. That is the primary reason behind it.

The reason why we have not identified the specific numbers associated with it is that it has always been our plan to do this gradually over a time period, and we would identify the construction and other requirements in our Budget requests as we would normally do, and ask the Congress to consider each increment as the cost of the increased accompanied tour.

Certainly today, with the economic environment, the budget environment that we face, we are having to take another look at the time phasing of this policy. We still think it is the right thing to do but it has got to compete with all of the other budget elements of the Air Force and, therefore, we are looking at it and we have asked the committee in the report we sent to you recently that you allow us some additional time to rethink this. We will be reporting to you sometime in October, but we will not ask the Congress for any funds for any facilities prior to providing a comprehensive report to the committee.

PLANNING AND DESIGN

Mr. **Hefner**. Last year the committee reduced the Air Force's planning and design request by $4 million because of the high rate of lost design. What has the Air Force done to cut down on lost design?

Mr. **Boatright**. As I said in my opening statement, we have a concerted effort to see if we can reduce the amount of lost design, and I will ask General Ellis in just a minute to expand on that.

But I would ask the committee to understand that as long as we are going to do advance design—we believe advance design is in the best interests of the government because it allows us to give you better budget estimates and allows more timely execution of the program—we are going to have lost design. We are going to start design on projects that the Congress is not going to fund or because of a change in requirements we are not going to need those facilities any longer. Therefore, some design will, in fact, be wasted.

We believe that the timely execution and more accurate cost estimates that result from that advance design far offset, many, many times over the relatively small amount of lost design.

Mr. **Hefner**. In 1984 the Air Force lost $8.7 million in design. How much did they lose in 1985?

Mr. **Boatright**. You want to expand on what we are doing specifically?

General **Ellis**. Let me add to what Mr. Boatright said. We have done two things I think will help us reduce lost design. One is, we are assuring once we get this validation process, that if it doesn't make a current fiscal year, that it shows up in a future fiscal year as a good project. So the design will not be totally lost in that environment. It is a bit perishable but only maybe three years perishable.

The second thing we have done, we have worked with our design and construction agents and we now have managed to design with them by individual project with the knowledge about what is happening on each project. We think that is going to go a long way on letting us get a handle on the program and make the right decision at the right time to include any unnecessary lost design.

Mr. **Hefner**. Does the Air Force currently have any projects under design which are not in the five year program? If so, why?

General **Ellis**. We have essentially zero that are not in the five year program. As best we can tell, there are two projects out there that we found that are not in the FYDP.

Mr. **Hefner**. What are they?

General **Ellis**. Woomera and one that is apparently no longer needed at Mountain Home. We will stop the design on those. Every other project is now listed as part of the Air Force's five year program.

[**Clerk's note**.—The following questions were submitted by Mr. Hefner:]

Question. Is your request of $127 million for planning and design sufficient to cover your requirements in fiscal year 1987?

Answer. We base our design funds requirement on a historically proven percentage of a future level of construction effort. It is not a summation of design fees for individual projects, since those design contracts have not been negotiated. Based on this analysis, we think the request is about $21 million short of meeting our requirement. We had to reprogram $10 million in FY 85, and anticipate the same amount for this fiscal year. Thus, our outlook is not good for making it through FY 87 without reprogramming for more planning and design funds.

Question. Do you anticipate a need to reprogram funds into the planning and design account in fiscal year 1986?

Answer. Yes, we anticipate a reprograming for $10 million.

PLANNING AND DESIGN COSTS

Question. Can you provide for the record cost of design for each major construction item in the fiscal year 1986 program?

Answer. Our fiscal year 1986 program has not completed design Additionally, we anticipate spending an additional $3.55 million of FY 86 dollars due to the Gramm-Rudman-Hollings legislation. The bulk of design costs were paid from the planning and design accounts of fiscal years 84 and 85 appropriations. Listed below are the cost of design estimated for each of the FY 86 appropriated projects.

DESIGN COST OF FY 86 PROJECTS ($ In Thousands)

BASE	PROJECT TITLE	COST
ALTUS	BASE SUPPLY ADMINISTRATION	186
ALTUS	UEPH	308
ALTUS	VEHICLE MAINTENANCE SHOP	240
ALTUS	WPNS SYS/MAINT MGMT FAC	230
ANDREWS	ALTER COMMUNICATIONS FACILITY	280
ANDREWS	ALTER UEPH	412
ANDREWS	ECIP: FACILITY ENERGY IMPROVEMENTS	91
ANDREWS	FIRE PROTECTION SYS	107
ATTU	SEISMIC OPS & DATA TRANS FAC	165
BARKSDALE	ALT FUEL SYS MAINTENANCE DOCK	112
BEALE	PAVE PAWS-BOUNDARY SEC SYS	142
BEALE	PAVE PAWS-ELECT MAG PULSE PROT	183
BEALE	TR-1-AIRCRAFT SHELTER & APRON	171
BEALE	TR-1-PHYSIOLOGICAL SUPT DIV FAC	212
BELLE FORKS	STRC (SITE 4) & LAND ACQUISITION	535
BERGSTROM	COMMERCIAL TRANS FAC	87
BLYTHEVILLE	ACFT GEN PURP MAINT SHOP	268
BOLLING	ECIP: FACILITY ENERGY IMPROVEMENTS	37
BUCKLEY	AEROS DATA/ADAL UTIL DISTR SYS	1,110
BUCKLEY	SECURITY POLICE OPERATIONS	93
CAPE COD	PAVE PAWS-ELECT MAG PULSE PROT	73
CASTLE	APPROACH LIGHTING/LAND ACQUISITION	95
CAVALIER	PARCS-POWER REL ENHANCEMENTS	114
CHANUTE	ADAL ACFT ENG TRNG FAC	109
CHARLESTON	POL FACILITY	58
CLEAR	SATCOM GROUND TERM	375
DAVIS-MONTHAN	GLCM - FLD TRNG FAC	271
DAVIS-MONTHAN	MEDICAL WRM FAC	91
DAVIS-MONTHAN	TAXIWAY LIGHTING	42
DOVER	ADAL AERIAL REFUEL PART TASK TRAINER	84
DOVER	ADAL FLIGHT SIMULATOR TRNG FAC	134
DOVER	BASE HAZARDOUS STORAGE	44
DOVER	BASE SUPPLY & EQUIP SHED	33
DOVER	EXTEND RUNWAY/LAND ACQUISITION	550
DYESS	B-1B-ADAL FIELD TRAINING FAC	200
DYESS	B-1B-ADAL MAINTENANCE FACS	193
DYESS	B-1B-BLAST DEFLECTORS	93
DYESS	B-1B-CASS EQMT & INSTALLATION	298
DYESS	B-1B-FLIGHT SIMULATOR TRNG FAC	440

DYESS	B-1B-MUNITIONS IGLOOS	190
DYESS	ECIP: HVAC	112
EDWARDS	ALT PHYSICAL SCIENCE LAB	334
EGLIN	HEAVY METAL WEAPONS R-D FAC	674
EGLIN	MOBILITY READINESS FAC	256
EGLIN	SEWAGE TREATMENT PLANT	257
EGLIN	SOUND SUPPRESSOR SUPT	75
EGLIN 9	ALTER DINING HALL	158
EIELSON	ADAL CENT HEAT & POWER PLANT	1,468
EIELSON	ALTER UEPH	180
EIELSON	FIRE PROTECTION-HANGAR	282
EIELSON	MAINTENANCE HANGER	395
EIELSON	REFUEL VEHICLE/PETROL OPS FAC	295
EIELSON	SOUND SUPPRESSOR SUPPORT	226
ELLSWORTH	B-1B BLAST DEFLECTORS	156
ELLSWORTH	B-1B-ACFT PRKG APRON & TAXIWAY	588
ELLSWORTH	B-1B-ADAL ALERT PRKG AREA PVMT	424
ELLSWORTH	B-1B-ADAL OPNS & MAINT FAC	40
ELLSWORTH	B-1B-ADAL ORG ACFT MAINT SHOP	16
ELLSWORTH	B-1B-ALT ENG INSPECT/REPR FAC	26
ELLSWORTH	B-1B-ALT INTEGRATED MAINT FAC	14
ELLSWORTH	B-1B-ALTER MAINTENANCE HANGARS	686
ELLSWORTH	B-1B-ALTER UTILITIES SYSTEMS	56
ELLSWORTH	B-1B-AREA SECURITY IMPRVMTS	190
ELLSWORTH	B-1B-CASS EQMT & INSTALLATION	168
ELLSWORTH	B-1B-FIELD MAINTENANCE FAC	352
ELLSWORTH	B-1B-FLIGHT SIMULATOR TRNG FAC	346
ELLSWORTH	B-1B-HELICOPTER/ACE FACILITY	156
ELLSWORTH	B-1B-WPNS PRELOAD FACS & RDS	410
ELLSWORTH	KC-135-CPT SIMULATOR FACILITY	121
ELLSWORTH	PKR-ADAL ALCC FACILITY	98
ELLSWORTH	UEPH	508
ELMENDORF	ALTER UEPH	234
ELMENDORF	FIRE STATION	180
ENGLAND	ALTER UEPH	113
ENGLAND	SECURITY POLICE OPS FACILITY	101
F E WARREN	ALTER UEPH	325
F E WARREN	ECIP: FACILITY ENERGY IMPROVEMENTS	63
F E WARREN	PKR-LAUNCH FACILITY SITE WORK	383
FAIRCHILD	ALTER ELECTRICAL DISTR SYSTEM	827
GEORGE	ADAL MUNITIONS FACILITIES	137
GEORGE	FIRE STATION	269
GEORGE	SOUND SUPPRESSOR SUPT	71
GOODFELLOW	DINING HALL	354
GOODFELLOW	OPS INTEL TRNG CENTER	655
GOODFELLOW	UEPH	766
GRAND FORKS	B-1B-3 BAY MAINT HANGAR APRON	1,246
GRAND FORKS	B-1B-ADAL ACFT MAINT HANGARS	458
GRAND FORKS	B-1B-ADAL FLD TRNG & SATAF FAC	48
GRAND FORKS	B-1B-ALTER AVIONICS MAINT FAC	26
GRAND FORKS	B-1B-ALTER FIELD MAINT FAC	45

GRAND FORKS	B-1B-ALTER UTILITIES SYSTEMS	180
GRAND FORKS	B-1B-AREA SECURITY IMPROVEMENT	258
GRAND FORKS	B-1B-HYDRANT FUEL CASS	710
GRAND FORKS	B-1B-POWER CHECK PAD	27
GRAND FORKS	B-1B-WPNS BAY FUEL TANK FAC	31
GRAND FORKS	ECIP: FACILITY ENERGY IMPROVEMENTS	71
GRIFFISS	ALCM IGLOO	58
GRIFFISS	ALT TEMPEST SECURE INTELL LABS	74
GRIFFISS	REFUEL VEH HEATED STORAGE FAC	46
GRISSOM	BASE CIVIL ENGR COMPLEX (PHII)	148
GUNTER	ADD TO COMPUTER FACILITY	477
HANSCOM	ALT CENTRAL HEAT PLANT	1,350
HANSCOM	SYSTEMS MGMT ENG FAC	901
HICKAM	ECIP: FACILITY ENERGY IMPROVEMENTS	71
HILL	ADAL ACFT CORROSION CONTROL FAC	933
HILL	DEPOT EXPLOSIVE STORAGE COMPLEX	204
HILL	ECIP: FACILITY ENERGY IMPROVEMENTS	390
HILL	PKR-TRANSPORTER REPAIR FAC	465
HOLLOMAN	ADAL RADAR TARGET SCATTER COMP	824
HOLLOMAN	BCE MAINT SHOPS	132
HOLLOMAN	VEH MAINT SHOP	158
HOMESTEAD	F-16-ADAL AGS PARTS STORE	31
HOMESTEAD	F-16-ADAL FLIGHT SIMULATOR FAC	155
HOMESTEAD	F-16-ADAL VAR MAINT FACS	213
HOMESTEAD	F-16-ADAL WPNS RELEASE SYS SHP	98
HOMESTEAD	F-16-ALT FUEL SYS MAINT HANGAR	137
HOMESTEAD	MUNITIONS FACILITIES	166
HOMESTEAD	VEH MAINT SHOP & OPS FACILITY	188
HOMESTEAD	VOQ	262
HURLBURT	C-130-ADAL ECM AV MAINT FAC	138
HURLBURT	C-130-ADD TO PARKING APRON	167
HURLBURT	C-130-CORROSION CONTROL FAC	107
HURLBURT	C-130-ORGANIZATIONAL MAINT SHP	124
HURLBURT	C-130-SQUADRON OPERATIONS	162
K I SAWYER	ALCM-ALTER OPERATIONS FACS	26
K I SAWYER	ALCM-MUNI UPLOAD TRAINING FAC	458
K I SAWYER	ALCM-SUPT EQUIP CORR CONTROL	46
K I SAWYER	ALCM-SUPT EQUIP MAINT SHOP	99
K I SAWYER	ALCM-UNARMED WEAPONS STOR	60
K I SAWYER	ALCM-VEHICLE PARKING FACILITY	22
K I SAWYER	ALCM-WEAPONS CONVOY ROADS	186
K I SAWYER	ALCM-WEAPONS STORAGE IGLOOS	466
K I SAWYER	ALTER UEPH	209
KEESLER	ALTER UEPH	373
KEESLER	ELECT ASSEMBLY & CHECKOUT FAC	72
KELLY	ADAL JET ENG TEST CELL COMPLEX	538
KELLY	ALTER ELEC DIST SYSTEM	77
KELLY	APPROACH LIGHTING	127
KELLY	DENTAL CLINIC	426
KELLY	DEPOT MACHINE SHOP	747
KELLY	EMERGENCY BACK-UP POWER	199

KELLY	HYDRANT FUELING SYS	277
KELLY	INTEGRATION SPT FAC	519
KING SALMON	ADAL COMPOSITE OPS FACS	339
KING SALMON	FIRE STATION	538
KIRTLAND	ALTER UEPH	252
KIRTLAND	COMMUNICATION DUCT SYS	78
KIRTLAND	COMPUTER/VAULT FAC	236
KIRTLAND	DANGEROUS CARGO PAD	170
KIRTLAND	ECIP: FACILITY ENERGY IMPROVEM	60
LACKLAND	DINING HALL	524
LACKLAND	SATCOM GROUND TERMINAL	225
LACKLAND	UEPH	1,131
LANGLEY	SOUND SUPPRESSOR SUPT	36
LANGLEY	UEPH	283
LAUGHLIN	WATER SUPPLY MAIN/LAND ACQUISITION	144
LOWRY	COLD STORAGE FACILITY	314
LUKE	ECIP: HVAC	40
LUKE	F-16-ACFT MAINT & TRAINING FAC	273
LUKE	F-16-ACFT MAINTENANCE UNIT FAC	133
LUKE	F-16-ADAL ENGINE I & R SHOP	172
LUKE	F-16-FUEL SYS MAINT HANGAR	227
LUKE	F-16-SQUADRON OPERATIONS FAC	350
LUKE	SUPPORT EQUIPMENT SHOP	190
MACDILL	ADAL HQ REDCOM	133
MACDILL	ALT ACFT CORR CNTL	76
MACDILL	ALTER BASE ROADS	323
MACDILL	ALTER UEPH	214
MALSTROM	ECIP: FACILITY ENERGY IMPROVEMENTS	210
MARCH	ALTER UEPH	463
MATHER	CENTRAL LIFE SUPT EQUIP FAC	159
MAXWELL	ALT ELECT DIST SYS	215
MAXWELL	VISITING OFFICER QUARTERS	152
MCCHORD	ADAL AER REFUEL PART TASK TRNG	89
MCCHORD	ADAL AERIAL PORT FACILITY	127
MCCLELLAN	ACFT ACCESSORY MAINT COMPLEX	777
MCCLELLAN	DEPOT ELECTRO WARFARE/COMM FAC	793
MCCLELLAN	LOG SYS OPS CENTER	771
MCCLELLAN	MEDICAL & OCCUP HEALTH CLINIC	1,423
MCCLELLAN	SOUND SUPPRESSOR SUPPORT	101
MCCONNELL	B-1B-ADAL AVIONICS MAINT FAC	108
MCCONNELL	B-1B-ADAL COMM & SUPT FACS	68
MCCONNELL	B-1B-ALTER UTILITIES SYSTEMS	52
MCCONNELL	B-1B-AREA SECUR IMP/ALRT PVMT	485
MCCONNELL	B-1B-CONSOLIDATED OPS CENTER	182
MCCONNELL	B-1B-FIELD TRAINING FACILITY	96
MCCONNELL	B-1B-HYDRANT FUEL W/CASS PROV	958
MCCONNELL	B-1B-INTEGRATED MAINT FAC	332
MCCONNELL	B-1B-SUPT EQUIP & STOR FAC	100
MCCONNELL	B-1B-TWO BAY ACFT MAINT HANGAR	886
MCCONNELL	B-1B-WARHEAD MAINT & INSP FAC	40
MCCONNELL	B-1B-WEAPONS CONVOY ROADS	194

MCCONNELL	B-1B-WPNS STOR AREA & IGLOOS	328
MCGUIRE	AIR REFUEL PART TASK TRAINER	111
MCGUIRE	AIRCRAFT MAINTENANCE HANGAR	369
MCGUIRE	ALTER UEPH	779
MINOT	ALCM-INTEGRATED MAINT FAC	412
MINOT	ALCM-MSL ROLL TRANSFER & STORAGE	80
MINOT	ALCM-SATAF FACILITY	18
MOODY	ACFT MAINT UNIT FAC	205
MOODY	ALT ELECTRICAL DISTR SYSTEM	315
MOODY	F-16-ADAL ENG I & R SHOP	156
MOODY	F-16-ADAL FIELD TRNG FAC	152
MOODY	F-16-ADAL VAR OPS/MAINT FACS	500
MOODY	F-16-AVIONICS SHOP	322
MOODY	F-16-FLT SIM TRNG FAC	163
MOODY	SOUND SUPPRESSOR SUPT	87
MOODY	VAR MUNITIONS STOR/OPS FACS	542
MT HOME	CONTROL TOWER	260
MT HOME	OTH-B RADAR OPS/SOFTWARE SUPT	749
MYRTLE B	ADAL SUPPORT EQUIPMENT SHOP	56
NELLIS	ALT ACFT CORROSION CONTROL FAC	287
NELLIS	PLSS SOFTWARE SUPT FAC	296
NELLIS	RED FLAG SUPT FACS	249
NELLIS	SOUND SUPPRESSOR SUPT	76
NELLIS	UEPH	675
NORTON	CONTROL TOWER	240
NORTON	ECIP: FACILITY ENERGY IMPROVEM	108
NORTON	SEC POL OPS FAC	216
OFFUTT	ECIP: ENERGY RECOVERY SYSTEMS	25
OFFUTT	HEADQUARTERS COMMAND POST	TURN KEY
OFFUTT	PKR-ADAL ALCC FACILITY	68
OFFUTT	UEPH (SILVER CREEK)	107
PEASE	ECIP: HVAC	41
PEASE	REFUEL VEH HEATED STORAGE FAC	48
PETERSON	TEST DEVELOP & TRNG CTR PH2	419
PLATTSBURG	ECIP: FACILITY ENERGY IMPROVEM	60
POPE	COMBAT ARMS & TRNG FAC	109
RANDOLPH	VEHICLE MAINTENANCE COMPLEX	348
REESE	VEH MAINT COMPLEX	328
ROBINS	FIRE PROTECTION-AVIONICS FAC	254
ROBINS	LARGE ITEM STOR FAC	440
SCOTT	ALTER UEPH	299
SCOTT	SATELLITE COMM GROUND TERMINAL	316
SEYMOUR	ECIP: HVAC	92
SEYMOUR	KC-10-BLAST DEFLECT & APRN LTG	60
SHAW	ACFT MAINT AREA LTG	21
SHAW	ADAL SPECIAL OPERATIONS FAC	122
SHAW	CONSOLIDATED SUPPORT CENTER	398
SHAW	ECIP: HVAC	53
SHAW	MEDICAL WRM FAC	53
SHAW	WING HEADQUARTERS	121
SHEMYA	ADAL CENTRAL POWER PLANT	1,215

SHEMYA	COMPOSITE PERS HSG & ALERT FAC	455
SHEMYA	LIQUID FUEL PIPELINE SYS	345
SHEPPARD	MEDICAL LOGISTICS FACILITY	217
SUNNYVALE	ALTER MISSION CONTROL COMPLEX	108
TINKER	ADAL HEAT PLANT	575
TINKER	ALT UNACCOMP ENLIST PERS HSG	239
TINKER	ALTER ACFT CORROSION CTL FAC	310
TINKER	ALTER POL STOR COMPLEX	262
TINKER	E-3A MAINTENANCE HANGAR	317
TINKER	TRANSIENT MUN FAC/LAND ACQ	411
TRAVIS	ADAL FLIGHT SIMULATOR TRNG FAC	257
TRAVIS	BASE HAZARDOUS STORAGE FAC	202
TRAVIS	COMPOSITE MEDICAL FAC-PH III	253
TYNDALL	ACFT COMBAT MANEUV INSTRU FAC	178
TYNDALL	ARM DISARM PAD	87
TYNDALL	UEPH	273
TYNDALL	WEAPONS EVALUATION/OPS FAC	266
USAF ACADEMY	ADAL AERONAUTICS LAB	268
USAF ACADEMY	ADAL COMPUTER CTR	96
USAF ACADEMY	ADAL VEHICLE MAINTENANCE SHOP	86
USAF ACADEMY	ECIP: HVAC	127
USAF ACADEMY	RECYCLE COOLING WATER	55
VANCE	CENTRAL LIFE SUPT EQUIP FAC	71
VANCE	MISSION SUPPORT COMPLEX	327
VANDENBERG	ADAL TELEMETRY RECEIVING STA	96
VANDENBERG	ECIP: ELECTRICAL ENERGY SYSTEM	145
VANDENBERG	OPTICAL TEST FACILITY	105
WHEELER	VAR ACFT MAINT/SPT FACS	257
WHITEMAN	ADAL GYMNASIUM	256
WHITEMAN	FIRE STATION	281
WILLIAMS	ADAL AVIONICS SHOP	76
WRIGHT PAT	ADAL AFIT SC ENG & SUPT COMPLEX	1,644
WRIGHT PAT	ADAL HIGH POWER RESEARCH LAB	215
WRIGHT PAT	ADAL PMEL	122
WRIGHT PAT	ADAL STORM DRAIN SYS	286
WRIGHT PAT	ALTER ELEC DIST SYSTEM	160
WRIGHT PAT	ENTOMOLOGY SHOP	81
WURTSMITH	ADAL UEPH	325
ALCONBURY	ADAL FIRE STATION	80
ALCONBURY	ADAL WAREHOUSE	85
ALCONBURY	ADD TO WATER DIST SYS	18
ALCONBURY	ALTER ELECT DIST SYS	73
ALCONBURY	ECIP: FACILITY ENERGY IMPROVEMENTS	133
ALCONBURY	SOUND SUPPRESSOR SUPT	20
ALCONBURY	TR-1-ADAL SQUADRON OPS FAC	53
ALCONBURY	TR-1-CHEM WAR PROT-AV MAINT FA	110
ALCONBURY	TR-1-CHEM WAR PROT-SENS MAINT	93
ALCONBURY	TR-1-UEPH	280
ANKARA	TRANSIENT LODGING FACILITY	141
AVIANO	TELECOMMUNICATIONS FACILITY	85
BASE 25	SATCOM GRND TERM	146

BASE 30	TR-1 GROUND STATION	265
BASE 30	TR-1-ADAL DINING HALL	37
BASE 33	C-130-AIRCRAFT MAINT COMPLEX	302
BASE 33	C-130-SECURITY FENCE	28
BASE 33	C-130-SITE SUPPORT WORK	66
BENTWATERS	ADAL UEPH	140
BENTWATERS	ADD TO ACFT ENG I-R SHOP	105
BENTWATERS	AIRCRAFT MAINTENANCE FACILITY	45
BENTWATERS	VEH MAINT COMPLEX	203
BENTWATERS	WAREHOUSE	110
BITBURG	ALTER UEPH	282
BITBURG	UEPH	252
CHICKSANDS	ADAL MEDICAL CLINIC	42
CHICKSANDS	CHILD CARE CENTER	40
CLARK	ADAL WATER DISTRIBUTION SYSTEM	59
CLARK	EMERGENCY BACKUP POWER	258
CLARK	SECURITY & SAFETY IMPROVEMENTS	227
CLARK	UEPH	207
CP NEW AM	ADAL ACFT GEN PURP MAINT COMPL	248
CP NEW AM	CHEM WARFARE PROTECT-AVION SHP	163
CP NEW AM	TELECOMMUNICATIONS FACILITY	84
DECIMOMANO	VAQ	159
DIEGO GARCIA	MUNITIONS STORAGE FAC-PH II	65
FLORENNE	GLCM-BASE SUPT WHSE/OPEN STOR	76
FLORENNE	GLCM-CHAPEL CENTER	128
FLORENNE	GLCM-CHILD CARE CENTER	65
FLYINGDALE	SATCOM GROUND TERMINAL	155
GERMANY	GLCM-VEH CORR CONTROL FAC	60
GERMANY	PLSS-NAVIGATION BEACON SITES	22
GREENHAM	GLCM-HIGH FREQENCY COMM FAC	70
HAHN	ALTER CONTROL TOWER	39
HAHN	ALTER UEPH	504
HAHN	CHAPEL CENTER	123
HAHN	UEPH	175
INCIRLIK	ALTER UEPH	221
INCIRLIK	CHEM WAR PROTECT-SQ OPS	201
INCIRLIK	CONSOL SUPT CENTER	467
INCIRLIK	ECIP: LIGHTING SYSTEMS	21
INCIRLIK	SATCOM GROUND TERMINAL	307
INCIRLIK	TELECOMMUNICATIONS FACILITY	103
KADENA	ACFT MAINT FACS PH I	626
KADENA	ADD TO ENGINE I & R SHOP	358
KADENA	SOUND SUPPRESS SUPT FAC	84
KARATAS	UEPH	282
KEIZERVE	DIGITAL EUROPEAN BACKBONE FAC	18
KIMHAE	MEDICAL CONTINGENCY COMPLEX	1,012
KUNSAN	ADAL ELECT DISTRIB SYS-PH I	325
KUNSAN	AIRCRAFT MAINTENANCE UNIT FAC	169
KUNSAN	PORTOMOD SUPPORT	28
KWANG-JU	ADAL WATER TRMT STOR/DIST SYS	123
KWANG-JU	PORTOMOD SUPPORT	24

KWANG-JU	UEPH	220
LAJES	ADAL CHAPEL	161
LAJES	ADAL COLD STORAGE	111
LAJES	CHILD CARE CENTER	90
LAJES	REFUELING VEHICLE MAINT SHOP	104
LAKENHEATH	ADAL VEHICLE MAINTENANCE SHOP	144
LAKENHEATH	MUNITION STORAGE IGLOOS	113
LAKENHEATH	WAREHOUSE	135
MARIENFELD	ADAL ESC OPS AREA	264
MILDENHALL	DANGEROUS CARGO PAD	45
MILDENHALL	ECIP: WEATHERIZATION	30
MILDENHALL	UEPH	129
MISAWA	CPIII-ABOVE GROUND STORAGE MAGAZINE	150
MISAWA	CPIII-CONCRETE ARCH IGLOO MAGAZINE	199
MISAWA	CPIII-JET FUEL STORAGE	225
MOLESWORTH	GLCM-COMM EQUIP FAC	21
MOLESWORTH	GLCM-DINING HALL	78
MOLESWORTH	GLCM-FIRE STATION	43
MOLESWORTH	GLCM-HELICOPTER PAD	22
MOLESWORTH	GLCM-HIGH FREQ COMM FACILITY	70
MOLESWORTH	GLCM-MEDICAL AID STATION	25
MOLESWORTH	GLCM-SECURITY POLICE OPS	58
MOLESWORTH	GLCM-SMALL ARMS TRNG COMPLEX	55
MOLESWORTH	GLCM-TELECOM/METEORLOGIC FAC	32
MOLESWORTH	GLCM-TOWER SUPPORT	17
MOLESWORTH	GLCM-UTILITIES AND PAVEMENTS	361
MOLESWORTH	GLCM-VEH MAINT FAC (ALCONBURY)	203
MOLESWORTH	GLCM-VEHICLE CORROSION CTL	35
MOROCCO	ALTER MAINTENANCE HANGAR	31
MOROCCO	APRON LIGHTING	116
MOROCCO	WATER STORAGE	28
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[CLERK'S NOTE.—This concludes Mr. Hefner's questions.]

MINOR CONSTRUCTION

Mr. HEFNER. The department has requested an increase in the minor construction limitation from $1 million to $2 million. Acceptance of this proposal would raise the current operations and maintenance funded minor construction limitation from $200,000 to $400,000. Does the Air Force favor this increase?

Mr. BOATRIGHT. Yes sir, we favor the increase. We believe that in order to be responsive to our construction requirements, that the increase in the authority under the minor construction authority would be appropriate and very beneficial to the Air Force.

Mr. HEFNER. Do you think your spending would increase under this proposal?

Mr. BOATRIGHT. I don't believe our overall spending would increase, no sir.

[CLERK'S NOTE.—The following questions were submitted by Mr. Hefner:]

Question. Why is this increase in the limitation necessary?

Answer. This increase improves our readiness responsiveness by giving commanders the authority to speed up some facility acquisition and modification times. Under the current system, the acquisition time, from defining the need to achieving beneficial occupancy, can take from 5 to 7 years. We can reduce that to 2 or 3 years for smaller MILCON projects and even more for projects within the operations and maintenance authority by reducing some time consuming reviews required by current statutes. This gives us a better return on investment by avoiding resource consuming workarounds and inflation involved with delaying construction. Congressional oversight would continue through the notification process and budget submissions.

Question. How much does the Air Force currently spend in O&M funded minor construction and would it increase under this proposal?

Answer. In FY 1986 the Air Force plans to spend about $147 million for O&M minor construction work, or just over five percent of the total real property maintenance activities (RPMA) funding. We do not anticipate significant increases in overall spending. We closely monitor this program to ensure we concentrate our efforts and resources onthe maintenance, repair and operation of our existing physical plant.

[CLERK'S NOTE.—This concludes Mr. Hefner's questions.]

AIR FORCE ONE HANGAR

Mr. HEFNER. General Ellis, the Air Force has requested $45 million for a new hangar at Andrews AFB for Air Force One. The principal justification is that the new plane has to be fully enclosed in the new hangar. Explain the requirement to fully enclose the new plane.

Has the decision been made on the plane?

General ELLIS. No, it has not. The RFP is still on the street, so to speak.

Mr. **Hefner**. I thought so. I had talked with some folks that were under the assumption they still had a shot at it.

General **Ellis**. The Air Force is executive agent for this project, since it is located on Andrews Air Force Base. We are responding to the requirement of the executive department for security, maintenance requirements and their criteria is that it must be enclosed.

Mr. **Hefner**. What is the need date for this facility and will this facility require cost plus contract to expedite construction scheduling due to the need date?

Mr. **Boatright**. The need date based on today's schedule is November of '88. That will be the time when the first aircraft would be delivered. By the way, we are not certain of the type of aircraft. So it is going to be a very, very difficult, very tight schedule for the Air Force to complete the hangar and have it usable in time to meet that November '88 schedule. In order to do that, we will have to—I will ask General Ellis to explain in detail what approach we are taking—get our design moving now. We are going to have to begin construction earlier than the availability of the '87 construction money and we have asked OSD to use some funds from the OSD contingency account to allow us to proceed with $5 million of site development and site preparation work this summer.

We don't know whether that is going to be approved but it is based on trying to meet a schedule of November '88. We will use some modified construction procedures in our contracting. I will let General Ellis explain what our plans are in order to try to meet the schedule.

General **Ellis**. What Mr. Boatright says is true. We need to be able to do some site work this construction season in order to make the November '88 date. Actually construction needs to be completed by August/September '88 so they can prepare the hangar for the airplanes. There is about 20-22 months of construction time available to do that job and it will take some accelerated construction and some additional monies to accommodate that acceleration in order to get it done by the need date established. The accelerated method would probably be cost plus fixed fee, but the Air Force, in conjunction with the Navy Chesapeake Division, who is our construction agent for this project, have not yet reached firm decisions on what type of acceleration we will be requesting. As you know, there is a 10 U.S.C. 2807 notification in the Congress now asking for permission to design. It is being held until the decision on the airplane is made.

Mr. **Hefner**. This is zero percent design?

Mr. **Boatright**. Yes sir.

Mr. **Hefner**. I guess it doesn't carry too much risk. There is not a lot you can do, a hangar is a hangar.

Mr. **Boatright**. We have considerable experience on these.

Mr. **Hefner**. Do you have any that are adaptable that you can use, some other existing hangars?

Mr. **Boatright**. We built some C-5 hangars. We are in the process of building them at Hancock Field in support of the Air Guard and that is under construction right now. We have done some large hangar work for the B-1B; we have done large hangar work out at Offutt. So we have a considerable experience base to make our cost estimates and identify and design this project.

Mr. **Hefner**. Is there a chance that we might be able to use some of the existing hangar design we have so that we might save some money on this project?

General **Ellis**. We are obviously going to use whatever we can. We don't have a hangar complex that envisions the hangar side by side—two 747s or two DC-10s. We do have singles. We can use the singles to reach the engineering technical data from those singles to provide the dual hangar for the new airplane.

Mr. **Hefner**. Are you going to use any funds in '86 to initiate the site work?

Mr. **Boatright**. The request that we have pending decision in OSD is for the use of the OSD contingency fund, which I believe is a funded authority. We haven't gotten an answer back from the Office of the Secretary of Defense.

The Air Force, of course, has no authority to construct any kind of emergency construction or any advanced construction without a reprogramming action. If left to the Air Force to use our authority, we will have to come to the Congress for a reprogramming.

Mr. **Hefner**. I have some other questions. I yield to the gentleman from Arkansas.

Mr. **Alexander**. Thank you very much.

[Clerk's note.—The following questions were submitted by Mr. Hefner:]

Question. What use will be made of the existing aircraft and hangar once the new facility and planes are available?

Answer. The aircraft will remain in the presidential special air mission fleet and the existing aircraft hangar will continue to be used for maintenance and corrosion control.

Question. Were funds for the new planes fully approved in fiscal year 1986?

Answer. Funds were appropriated for new aircraft in FY 86, but authorization is currently lacking.

Question. Who will be the design and construction agent for this project?

Answer. U.S. Navy.

Question. Are all the runways at Andrews AFB capable of landing 747's?

Answer. Yes.

[Clerk's note.—This concludes Mr. Hefner's questions.]

BLYTHEVILLE AIR FORCE BASE

Welcome. I have questions on two points, one concerning Blytheville Air Force Base and concerning the MX proposals.

On the projects which are to be built at Blytheville Air Force Base with FY 86 military construction funds, are there any of these projects to be delayed or for which additional appropriations will be needed because of any proposed cuts under the Gramm-Rudman law?

Mr. **Boatright**. I will ask General Ellis to address the specifics there.

General **Ellis**. The one project at Blytheville in '86 is a general purpose shop, $3½ million. It is already 100 percent designed. We want to put it on the street and open bids in May at that full scope. At that point, we will make a decision on whether we need to reprogram or whether we will be able to construct it under the revised Gramm-Rudman base. So we really have two choices: one, it won't be a problem because of good bids; two, it could be a problem and we may have to reprogram some money to it in order to buy it.

Mr. **Alexander**. In other words, you are going to build it no matter what your impact of Gramm-Rudman may be?

General **Ellis**. With the permission of this committee if we have to reprogram.

Mr. **Alexander**. That is your intent?

General **Ellis**. That is right.

Mr. **Alexander**. I have been in the gym over there. It runs around the clock, six days a week and eighteen hours on Sundays. Very inadequate, about half the size it needs to be. In fact, I was in there last summer and a big airman almost dropped a 500-pound weight on me. I want to say the weight room needs to be doubled in size right away.

What is the design completion status of the plans to expand or to add onto the gymnasium at Blytheville Air Force Base, and what is the current estimated cost of the project?

General **Ellis**. Current estimated cost is $2.7 million, 35 percent designed, design will be finished this year. We will be in a position to buy it if Congress appropriates that project.

Mr. **Alexander**. Your intent is to request funds for the project during FY 87?

General **Ellis**. In the FY 1988 budget.

Mr. **Alexander**. Last year, this committee provided instructions in the FY 86 military construction conference report to build the petroleum operations facility at Blytheville Air Force Base under the minor construction fund provision. When do you expect to put that project under contract?

General **Ellis**. Late this year. It is under design. It will be late this year. We are committed to do that with minor construction funds.

Mr. **Alexander**. With reference to the taxiways, your request includes work for two taxiways. It is my understanding that you need three taxiways. When do you expect to do the upgrading of the third taxiway?

General **Ellis**. The project includes the third taxiway. The work required on the third taxiway is much less than the work required on the two specified on the programming documents. It is included under the support area, so all three will be fixed as part of the '87 package.

MX MISSILE FACILITIES

Mr. **Alexander**. Let's turn to a subject less parochial, the MX proposal. Under your request you ask for funds to build an additional 50 missiles. I had a briefing last year at Offutt. I recommend to my colleagues that they receive the same briefing. Would you offer for the record, and now if you have the information, a comparative cost analysis or the analysis of a comparative cost of construction of the 50 additional MX missiles compared to a similar construction of the Midgetman system?

Mr. BOATRIGHT. When you say similar construction of Midgetman, would that be in the identical number of warheads?

Mr. ALEXANDER. Well, I don't know how you measure the two and that would be somewhat subjective, but subject to your definition and presentation. They are different systems and you might offer several comparisons, missile to missile, capability to capability, I am sure there are more options than those two, but I am interested in the comparative costs of the two systems you explained last year.

I was convinced at the time, and apparently erroneously so, that the Midgetman was a better buy for the buck. Taking into consideration the accuracy of those missiles, comparative accuracy and comparative cost of those missiles, I may have been incorrect in my conclusion. I would like to avail myself and the committee of data which would explore those comparative costs of those two systems in order that we might further expand upon the relative merits of the two systems.

Mr. BOATRIGHT. We would be pleased to supply that kind of information for the record. We don't have it here with us today.

[The information follows:]

The costs for Peacekeeper and the Small ICBM cannot be meaningfully compared on an item-for-item basis. The Peacekeeper system, with 10 wearheads and based in Minuteman silos, starts to redress the Soviet advantage in hard target capability and holds their most valuable assets at prompt risk. The single warhead Small ICBM system, based in hardened mobile launchers, also provides prompt target coverage but with increased survivability through mobility. The systems are complementary because, as the Scowcroft Commission pointed out, no one missile system can provide all of the required capabilities. Instead, a combination of systems in different basing modes is necessary.

The following data is an indication of the relative acquisition costs of these complementary systems.

[IN BILLIONS OF 1982 DOLLARS]

50 Peacekeepers in Minuteman silos	$14.9
100 Peacekeepers in Minuteman silos	16.4
50 Additional Peacekeepers in superhard silos	7.0
500 Small ICBM's in hard mobile launchers	30-32
500 Small ICBM's in superhard silos	31-34

I would just like to emphasize that our construction request in '87 is based on the 50 missile deployment, 50 Peacekeeper missile deployment, all of our construction schedule for the future is based on that decision. But we will be pleased——

Mr. ALEXANDER. May I just expand a little further. There are two basic objections to MX. One is the cost, and that is attacked by opponents with an explanation that the Midgetman is cheaper and is just as effective. There is great argument about that and for those who take the time to explore it, there is some doubt about that position.

Then there is the argument that the MX is destabilizing and so forth, that is another argument I am concerned about—the cost of the missile and effectiveness of these two systems. I would like to better prepare myself to address both of these arguments at a future time. I am sure we will have the opportunity.

Mr. **Boatright**. Yes, sir. The small missile is, as you know, still under the development and evaluation phase. In fact, the actual deployment mode and the site for deployments have not been decided on, and there are several modes still under consideration. This is going through a formal evaluation process including the environmental process that is necessary, and next fall is the plan for that decision. I believe that the Administration plans to bring to the Congress next year their proposals concerning the small missile. I think that is the schedule that has been mandated by the Congress.

Mr. **Alexander**. Well, if I might respond to that. If you are going to sell 50 more missiles to the Congress you had better be prepared to present comparative costs of both systems because the argument is being made that the 50 additional MX missiles is a better buy than to develop the Midgetman program just on the basis of cost alone. If you are prepared to make that case, you may be successful with the 50 additional MX missiles. If there is a priority of the Strategic Air Command and being the number one priority of that command, I think time is of the essence and it is important to exercise every reasonable effort to try to present that data.

Mr. **Boatright**. Yes, sir; we will take your question back to the appropriate officials in the department and we will see that we provide the committee the best possible answer.

Mr. **Hefner**. We know that the first 50 MX missiles is going to cost somewhere in the neighborhood of $250 million. If you throw in the construction you know you have an extra $50 million it would probably not exceed that unless you went to some kind of superhard thing. I don't know what the projected cost would be but that is one of the considerations that a lot of us had when we agreed to support the MX.

Mr. **Alexander**. I was convinced that the Midgetman would cost less and I learned later that it is going to cost more.

Mr. **Boatright**. I am not sure we really know today. I think as honest an answer as I can give is that the information I have seen to date would say that the evaluations are too preliminary to reach those kinds of conclusions, but I will certainly defer to the experts.

Mr. **Alexander**. You have the opportunity to do so this year and it will be most relevant.

Mr. **Boatright**. I understand the point and we will certainly take that message to the proper officials.

[Clerk's note.—The following question was submitted by Mr. Hefner:]

Question. This year's construction request of $27.5 milion will fund access roads and site work for an additional 10 silos, bringing the total funded to 50 silos. What construction requirements remain to be funded in the outyears?

Answer. Storage facilities at Hill AFB, Utah, for Peacekeeper missile stages remain to be funded. Missile stage motors will be used through the lifetime of the Peacekeeper weapon system for aging and surveillance testing, and operational test and evaluation.

Mr. **Hefner**. Mr. Edwards.

COMMUNITY SUPPORT FACILITIES

Mr. **Edwards**. Thank you. First, let me address one of the things that I find in the statement about the source of funds for community support. I am a little bit confused by what it says. It says the Department of Defense policy for funding these facilities—we are talking about community support, morale, welfare, recreational activities—is very clear. However, we have continued to receive mixed signals from the Congress. It talks about the fact that Congress authorized ten projects. However, it says that we were denied appropriations for these projects and directed to use nonappropriated funds. That we continue to be placed in a Catch-22 situation.

I read Catch-22. I don't see it as a Catch-22 situation. We said use nonappropriated funds. If you understand how Congress works, it is not appropriated. There is no Catch-22. There is no ambivalence. The committee that appropriates money didn't appropriate any. If you really understand how the system works, getting something authorized doesn't allow you to do anything.

Mr. **Boatright**. We understand that. We are in a Catch-22. What we are referring to is when we go to clear our projects for nonappropriated funds, we must go to the House Armed Services Welfare Panel, and I think it is part of the Readiness Panel, chaired by Congressman Daniel. That panel has been insisting that we not use nonappropriated funds for some of these projects which this committee is denying the funding for. That gets us caught up in what we are calling Catch-22.

We clearly understand the authorization and appropriations process, we know that we can't construct anything until it gets appropriated. We are certainly not contesting that. We are just saying that we believe that it would be helpful to us if the Congress could reach some sort of agreement on this and then we could get the Department of Defense policy structured in accordance with that agreement so we would know how to plan for our construction in the future. That is the only point we are trying to make.

Mr. **Rudd**. Would you yield?

Mr. **Edwards**. Sure.

Mr. **Rudd**. I think to clarify this a little bit in your mind, we ought to understand that if we appropriated everything historically that the authorizing committees, 18 of them, asked for, what we would spend would be completely out of sight. So historically, what the authorizing committees, 18 of them—I don't have any breakdown on Armed Services but 18 of them request or authorize only about a third of the funds that are actually appropriated traditionally and historically. So that is just a fact of life.

Mr. **Boatright**. We understand that. The Catch-22 that we get into here is that the alternative source of funds is nonappropriated funds and the panel conducting the oversight of those nonappropriated funds. We must submit each year—each of the military departments—a list of projects over $5,000,000 for which the department proposes to use nonappropriated funds to construct. The panel has been striking some of those projects saying you should use appropriated funds. It places us in a very difficult position, because our people in the field trying to plan on the way they are going to get facilities needed to support the forces have difficulty because they plan to go one way, and then they are denied. Then they plan to go the other way and they are denied. That is the Catch-22.

Mr. RUDD. You can only do that which you have money to do. That is the bottom line.

Mr. BOATRIGHT. Yes, sir.

REPROGRAMMINGS

Mr. EDWARDS. In Mr. McCoy's statement, he suggests that to carry out the programs that are requested, an unusual—that is the phrase in the statement—an unusual number of reprogrammings is going to be required, which is an interesting view because, as we know, we have not been very hospitable to reprogrammings recently, and probably are not going to change a lot.

Could you elaborate a little bit on your statement that there is going to be an unusual number of reprogrammings?

Mr. BOATRIGHT. I will let General Ellis give you some details on this in a moment, but basically, we have taken the programmed amounts that were appropriated by the Congress for our projects, and we have now applied the Gramm-Rudman reduction to those so we are working from a reduced number. We have always had some difficulty in awarding some projects. We believe this has been a very small number of projects when you consider the magnitude of the program that we are dealing with.

We believe that the number of projects that we will have some difficulty with now in awarding within the flexibility that we have, with this reduced appropriation we are dealing with, will increase this year and therefore, we believe that it will be an unusual number, unusual in the sense that it will be definitely larger than what we have experienced in the past.

All we are asking is that the committee takes this in consideration when we submit more reprogramming requests than we have in the past. We don't expect to have a very large number but we believe it will be more than we have submitted in the past. I think General Ellis can give you some more detail on actual numbers that our initial review indicated.

Mr. EDWARDS. Does this reflect a changed prioritization taking the reduced amounts and going back and reprogramming for some and deferring other programs?

Mr. BOATRIGHT. No, sir; what will happen when you are executing a program of this magnitude, is that when we go out for bids, we will get a number of projects that will come in below programmed amounts, even below the adjusted Gramm-Rudman programmed amount. We will have a number of projects that will come in above that amount. Then we will have a much smaller number of projects that will come over, completely over our flexibility. That is $1 million or 20 percent above the Gramm-Rudman revised amount.

Those are the projects that we are really focusing on. We believe that number will be bigger this year than it has been in the past.

General ELLIS. To give some data point, we have taken apart the '86 program, which is now at about 100 percent design, we are starting to buy much of '86, so our ability to assess what the current work estimate is, what we think it is going to cost us versus the PA against Gramm-Rudman, we found those numbers.

We have 440 projects in '86. It looks like 186 of them will have no trouble at all, they are below the revised reprogramming base. There is another 206 that may make it within the flexibility of $1 million or 20 percent. We won't know on those 206 until we open bids. Our guess is most of those will make it because we will be able to do it within the flexibility.

There are about 48 projects that we are in question. Some will take some real intensive care. We will have to make hard decisions on redesign. We don't want to do that, it costs us more in most cases to do redesign than it does to buy the project. That 48 or 50 projects is more than you usually see and I guess it would be kind of less than subtle warning that we will be back this year more often than you normally see us.

SCOPE AND COST CONTROL

Mr. **Edwards**. I don't want to delay us getting into the closed portion of this because we have some things we need to get into. Let me ask you one more question. Last year, we imposed a number of additional criteria not only in the bill but in our report, what we are requiring. And yesterday when the Army was here, not trying to pit services against each other, but they have apparently done a fairly extensive job of going back and looking at projects and rescoping projects.

What I am reading, at least attitudinally, in this statement that we don't want to go back and do that. I wonder if you could tell me what the Air Force really has done about going back and looking at projects again and trying to avoid some of the overruns, reducing the number of reprogrammings that would be required, following the changes we made last year. What did you do about it? Did you change your practices at all?

Mr. **Boatright**. We will go back and we are in the process of going back and looking at each of the projects to see what we can do with that project to restructure its scope and still have a complete and usable facility that meets our requirements.

We know it would not be wise for us to do something that halfway solved the problem. We want to be very careful to try to avoid any major redesign, so we will be identifying additives, things that we can take out of the primary bid package, and ask the contractors to bid on each additive and then if we have sufficient funds available, award them. If we don't, we will delete those items. Once again, that is a difficult thing to do, however, it is much better to do it than to try to go through a major redesign effort.

I will let General Ellis expand on that since he is dealing in detail with that particular end of the business.

General **Ellis**. I suspect there may be a small attitudinal difference between the Army and the Air Force, but I wouldn't like to characterize it. We think our program is scrubbed pretty hard. Only the essential elements necessary to provide that facility package was in there in the first place, and if you accept that notion, then anything we cut in order to make these new targets has to be meat and not fat.

We also would not like to cut things that will need to be done in the future—for example parking lots and landscaping. We can remove those types of elements from construction projects, but frankly, gentlemen, sometime in the future, at a more expensive cost, we would have to do it.

Mr. EDWARDS. In 1991 we are going to have a $900 billion deficit. That would be the time to do it.

Mr. HEFNER. Just to follow on that, I met with some people a couple of weeks ago in Germany and we had some heated discussions. We understand that it has cost but it is not all that much. It is not unlike something that Mickey wants for his house or I want for my house. Because of lust we may have to give it up. The fact remains that we are having very, very serious budget constraints. I am serving my sixth year on the Budget Committee and we are working like crazy to try to get to this $144 billion that fits in the Gramm-Rudman scheme of things.

And you know, we don't disgree that the things that you bring here are of a high priority. but when we look at what we are going to spend the money on we have to set some priorities from this side because we know we are the ones that have to take the bill to the floor. We are the ones that have to get the money for you. We can't set your priorities, but we can establish what we think we can deliver. That is the bottom line, what we can deliver for you to spend.

If we don't appropriate you can get all the authorizations you want, unless we appropriate the money, it is not going to happen.

I understand that the Air Force didn't want to use nonappropriated funds. I understand that. We know it will cost more in 1989, and 1990 and 1992. We are living in the real world here and it is tough.

Mr. BOATRIGHT. Let me comment on that if I could, please. It will be our intent, it is our intent, to try to award all of the construction that has been authorized and appropriated for Air Force within the reduced amounts that have been directed by the Gramm-Rudman-Hollings bill and we are dedicated to doing that. We are going to go down the line and try to get that program under contract under that reduced amount.

Mr. EDWARDS. I think the problem is, what you are going to have to look at, is that Gramm-Rudman is in the original cuts. That is the beginning of the process, not the end of it. And you can't assume that the request that we have is what is going to be in the numbers. There are going to be other reductions because all of the subcommittees on appropriations are going to be reducing the amount of the Administration's requests in all these categories. So you maybe meet what reductions have already taken place but there will be more reductions.

Mr. BOATRIGHT. It will behoove us to get as much of this program under contract as soon as we can.

Mr. EDWARDS. That is right.

MOUNTAIN HOME AIRFORCE BASE, IDAHO

Mr. RUDD. Thank you, Mr. Chairman.

I have always admired the Air Force for its ability to obtain the very best facilities, the very best maintenance, the very best equipment, and provide in a very good way for its personnel. I mean that sincerely.

I was in the Marine Corps. The Marine corps frequently got what was left over by the Navy. So I could understand your accomplishments that way and stand back and admire you for that and still do. You are first class.

I understand you have the ability to really get in and provide for your service and I think that you will continue to do that. In fact I know you will, and I compliment you for it.

Mr. **Boatright**. Thank you.

Mr. **Rudd**. Maybe it is because you have indicated that maintenance is equally important to construction. So that when something does go wrong, I can only assume from what you have said in your testimony, that you immediately find a way to repair it, and certainly that applies to aircraft, because they won't fly unless you do, and everything else along the way.

Sometimes things happen that shouldn't happen, I know that. You mentioned Mountain Home, the air facility there. I don't know how big that is, I haven't been there in a long long time.

General **Ellis**. It is a single wing base of three squadons of F-111's. It is a small base.

Mr. **Rudd**. Well, F-111. That far north it doesn't matter too much because they can do it.

A colleague of mine was there not long ago and told me a little story. I would like to, for the record, see if we can't get some responses indicating that there was a curb building piece of machinery there. Is it still there?

General **Ellis**. No. As I understand it, it is part of the command structure. There are three in the Tactical Air Command that move from base to base to do projects.

Mr. **Rudd**. That was the thing. The observation was that that curb building machinery didn't build very straight curbs and they were a little bit out of line here and there, and cost about $200,000. And when you are through with it there, you can transfer it to some other base and nobody with any technical know how really is there to operate that machinery, indicating that maybe a bid out would do a better job.

So, this seems to me to be out of keeping with what I have been saying about the Air Force. If you have an expensive piece of equipment there and you allow it to be used by anyone who is not skilled at using it, and to do put in crooked curbs, I hope that they will remedy that.

General **Ellis**. You hit the guy right in the nose who put in the machines. You also hit the guy on the nose who provided that TAC headquarters policy. I have been gone for a year and a half, but I am the one who provided the nucleus for people who accompanied the machine, who are supposed to be experts. It sounds to me like that process broke down, because the intention was for two or three people to go with the machine, who knew what it was they were supposed to do. Then gather a labor force from the base that it showed up at. I remember one other occasion when we had a failure where the curb was crooked.

Mr. RUDD. Well, I patted you on the back because I had to punch you in the nose afterward. I say this for the record because I hope that we can get a response back from you on this subject matter as to whether the machinery should never have been purchased, or if you could have bid it out better, or if you have the machinery. I didn't know you had three pieces of equipment, that at least in order to provide what you should provide, which you are accustomed to doing with perfection, to use it efficiently, and so that it will do the job exactly the way it should be done. And I personally request you to make a response back on that and see what you are going to do, sell it or keep it or train crews to use it.

[The information requested fy Mr. Rudd follows:]

Mountain Home was the first base to receive and use a concrete curbing machine [CCM]. There was an initial learning period, as is the case with any new type of equipment. Consequently some of the first curb and gutter [C&G] that was placed was not straight and in line. These initial problems were resolved and the machines are now properly operated.

Within Tactical Air Command [TAC] the three CCMs are rotated with approximately four months at a given base. TAC's operating procedures are as follows:

(1) Developed a comprehensive CCM Planning Guide sent to each base scheduled to recieve a CCM. This guide is continually reviewed and updated as more experience is gained.

(2) The receiving base sends two individuals to train on a CCM for approximately two weeks.

(3) The base last using the CCM sends an experienced operator to the gaining base for approximately two weeks to assist in start-up and training. A TAC staff member, experienced in C&G placement, is also sent to the base. The TAC representative conducts a step-by-step slide show briefing on C&G placement and provides "hands-on" training in all phases of the C&G operation.

These operating procedures have proven extremely successful with approximately 35 miles of quality C&G being placed throughout the command by the in-house work force. We consider this program to be an optimum use of our current resources and do not plan to contract this work.

MISAWA AIR FORCE BASE, JAPAN

Mr. RUDD. Misawa, you indicated the Japanese base. I personally think it is an extremely important base because it is next door to Sakhalin and the Soviets and what they are doing and former Japanese territory. You tell me that they are providing 80 percent of the wherewithal to keep it there and to keep it established. My knowledge alone, you have been going to bed with those F-16s down there for the last three years.

General ELLIS. Yes sir.

Mr. RUDD. I am wondering, what that says. The testimony says $180 million. I think it is $180 million, for bed down of F-16s. When is that going to stop? Two hundred ninety-eight million dollars, I am sorry.

What are we going to use that for and is this for quarters or is it for hangars or what?

General ELLIS. This is the last year for any major construction at Misawa. The second squadron of F-16s shows up late this year. We are done. Our total commitment to Misawa is $52 million against a package of about $300 million. This year we are going to buy igloos, a maintenance facility, and storage igloos that have offensive connotations that do not, cannot be bought as part of the Japanese contribution to this effort. Since it is offensive, we need to step up and purchase those new facilities. This year's request is $10.3 million to do that.

Mr. **Rudd**. But these F–16s are our F–16s. We are flying them are we not.

General **Ellis**. That is correct.

Mr. **Rudd**. Does Japan have a similar operation much larger than ours on the same base?

General **Ellis**. I am not sure it is larger but they do have a similar operation with different types of aircraft.

Mr. **Rudd**. OK, is there any interchange in the use of the facilities aside from the airstrip that requires additional construction funds?

General **Ellis**. No sir.

Mr. **Rudd**. On the ASAT program, maybe this is not a proper time to bring that up.

Thank you, Mr. Chairman.

General **Ellis**. We will, by the way, provide a responsive answer to your question concerning the gutter machine.

Mr. **Hefner**. We are going to take a couple of minutes here to clear the room for those that do not have security clearances before we go into closed session. We will stand in brief recess.

[Recess.]

MX MISSILE

Mr. **Hefner**. If you could update the committee on your progress toward meeting the initial operating capability date of December 1986 for the MX missile?

Mr. **Boatright**. Yes, sir; we will be pleased to do that. Do you want us to do that for the record?

Mr. **Hefner**. If you could, just give us a brief.

Mr. **Boatright**. I will let General Ellis.

General **Ellis**. Let me address the construction support of the 50 missile bed down of Peacekeeper at F.E. Warren. Construction is on schedule. We have finished three or four holes, and with the current schedule, we will meet the IOC in December.

Mr. **Hefner**. So we are on schedule?

General **Ellis**. That is right.

B–1 BEDDOWN

Mr. **Hefner**. The fiscal year 1987 request of $50 million completes all major construction work resulting from the beddown of 100 B–1 bombers. If additional B–1 bombers are built, how will their basing be handled? Will the Air Force choose an additional beddown location or add planes at existing locations?

Mr. **Boatright**. I am not sure that we have reached a decision on how we would do that. As you know, we have one base now with two squadrons to be located on it at Ellsworth. The other bases are single squadron bases and we would certainly look at the alternative of expanding the beddown force at those single squadron bases before we would open additional bases for the B–1 bomber, because of the cost associated with the unique facility requirement to support that aircraft.

Mr. **Hefner**. So we are not thinking in terms of another three beddown bases, probably at most if you do, you would update where you have the one squadrons and maybe go to one other base. You wouldn't be thinking in terms of three more beddown bases?

Mr. **Boatright**. I think we do look at existing bases first, depending on the capacities of those bases to meet any additional aircraft requirements.

General **Ellis**. The problem with adding more airplanes on existing bases is the escape time for the bombers. You can build more runways, but whatever you do, there is a cost associated with it. The Air Force is not looking at additional B-1 bombers so we haven't studied in any detail, the necessity to accommodate that.

Our best guess is that we would have to locate them on the spine of the country to protect them as best we can, then provide the escape if they do need to get away.

I think we would probably end up with two or three bases additional. They wouldn't come in until later. That whole panoply of options could be assessed now, but we have not looked at it because we have not looked beyond 100 B-1s.

Mr. **Hefner**. But if you went beyond the 100, in real dollars it would not be expensive as beddown for these first contingencies?

General **Ellis**. No.

Mr. **Hefner**. If you went to existing B-52 bases?

General **Ellis**. No, it would not. We have training facilities, combat crew training, at Dyess AFB, those types of startup costs would be——

Mr. **Boatright**. One of the things you would have to look at in the tradeoffs would be putting another runway in existing bases versus building new support facilities at a base to be designated for the B-1. We would look at all those tradeoffs and come up with a decision on the best, most cost effective beddown to meet mission requirements, including the escape times required.

BASES CLOSURES

Mr. **Hefner**. Could you give us information on when we talk about earlier about the base closures, talk to us a little bit about that?

Mr. **Boatright**. What we did last year was take a look at the whole base structure of the Air Force and we did this, as I indicated earlier, after there was some discussion between the Department of Defense and the Congress concerning new legislation and funding to facilitate more efficient base closure action on the part of the department.

Each of our bases in the United States were looked at. We looked at every one of them. We identified the missions that we had at those bases and what we might be able to do with the missions at each of the bases where you might be able to relocate them. As we went through that exercise, there are a number of bases that you obviously just cannot close. Closure would be very, very detrimental to the Air Force carrying out its operation and training missions and its strategic capability.

As you go through that process, you finally reach a point where there are some bases which could be further studied for closure. We could see ways of accommodating the mission by relocating the mission to other locations. We did not do any of those detailed studies because those kinds of detailed studies require us to get into the open, and as I said earlier, when you get into the open with this kind of discussion, you create great turmoil both within the Air Force installation and the surrounding communities, and we have been trying to avoid that kind of turmoil as it is counterproductive.

So, when we decided recently to identify a base for closure, we took the results of our previous study and we started looking at several bases and we ended up with Lowry AFB as the base that we wanted to nominate.

Mr. HEFNER. So there are no others? You don't have any list?

Mr. BOATRIGHT. We have no list of bases. I know the bases that we looked at in more detail in conversations within the department.

Mr. HEFNER. ———.

Mr. RUDD. ———.

Mr. BOATRIGHT. I was asked to name them. ———. We talked some about ———. I think the last time that we looked at base closures ——— was the proposed base.

If we have to pursue base closures because of the existing process that we have to go through, the complete detailed environmental process, we have to look at alternatives, so if we really had to pursue the closure of Lowry Air Force Base today we would have to identify alternatives, and in my opinion, ——— would probably be an alternative.

So what you do is you end up looking at more than one base. When you identify a base for closure and you really get serious about it, then you go to the study process which must be conducted in accordance with the present law including environmental considerations and in great detail with the public.

Mr. HEFNER. The thing we hear—it is just talk—about the ways to cut defense sites, and you read the Grace Report and you hear a lot about that in the press, and it comes around that all you have to do to balance the budget is adopt the Grace Report. If you do, everything is going to be fine. You get into—I am not trying to pin you down. I am not going to mention any of these to the press or anybody, but the same thing for post offices and all these other things, it is easy to talk about how you can save a lot of money if you have some base closures. You are not going to get there by closing one base, not going to get there by closing two or three post offices. If you are going to have a lot of money you are going to talk about quite a few base closures.

I just don't want to see us get into a situation where it gets to be politicized. We get into a real scrap there. I would like to hear some candidates if we had to be serious about closing bases. I don't think there is really going to be a real serious effort to close any bases because it is just——

Mr. BOATRIGHT. Well, I know those that we looked at this time. That doesn't necessarily mean that they would obviously be candidates in the future. We looked at them because they came out of our previous studies, as ones that we might be able to evaluate in more detail as we could see the possibility of other locations that could accommodate those missions and not create great problems for the Air Force operational and training structure.

Mr. HEFNER. It doesn't get any more if it costs us more to close a base than the benefits we receive from it.

Mr. BOATRIGHT. I would agree. If I could add one comment. We believe that trying to go through base closures with the existing procedures that are mandated by law is very difficult as it creates lengthy turmoil, dissension and problems and overall seems to be counterproductive.

I have been in this business a number of years and I have gone through a number of major base closure proposals and programs by the department, and we believe that what Secretary Weinberger has said, that is, if you want me to close some bases to save some money, you have to give me some streamlined procedures, because if you don't, then it is not worth the effort to try to close these where we have to debate this in the public arena.

Mr. EWARDS. Have you done any cost analysis of what the impact would be if you close a base? Maybe it is a lot simpler, it appears to me, but, if you close a base, you don't get rid of the mission; you don't make a decision to cut back some on the number of people in uniform. When you have to transfer those people to some other base, you have to build new housing or have to have other facilities to handle them.

It seems to me that some comparative cost analysis of what additional costs are incurred by closing a base down here and having to reassign everybody elsewhere. Have you done any of that yet?

Mr. BOATRIGHT. On Lowry we did some very preliminary feasibility efforts and we have some numbers associated with that. We understand and know that we would have to do far more detailed analysis before we could reach a final decision on the closure of a base such as Lowry. We have not done that kind of analysis on any of the other bases, as I indicated earlier. All we did, we looked at our structure, looked at how you might accommodate the various missions. We didn't put the dollars and cents with those things, we just looked at how you could actually operate the Air Force without that base.

Mr. EDWARDS. In terms of Lowcry, could you give us a ball park figure? Did it end up saving money or costing money? Minor savings?

Mr. BOATRIGHT. The initial cost is much greater. You have annual recurring savings of—I forget the numbers for Lowry—I would imagine they are in the $60 million range of annual recurring savings, and a $270 million capital investment up front to buy new facilities at other locations to replace what we already have. So you can see it is at least five years and more when you look at the cost of money. It is over five years before you pay it back.

Mr. RUDD. The only reason that I can think of that you would consider that one base that you named for closure, is that the runways are parallel and very close to the International Airport, and the city would like to get their hands on it for the service that it provides and the fact that it has more non-instrument flying days than any other airport with the exception of Luke, in the country, leads me to believe that would be the only reason you would consider that. Please tell me that that is true.

Mr. BOATRIGHT. That is essentially the reason. There have been——

Mr. RUDD. Thank you very much. I don't want to hear any more.

ASAT PROGRAM

Mr. HEFNER. Funds to enable the deployment of an anti-satellite weapons system have again been requested in fiscal year 1987. The justification indicates that construction is necessary in fiscal year 1987 to meet an IOC date of ———. Explain how and why the ——— IOC date was established given the congressionally imposed prohibition on testing this systems against objects in space, and the lack of a production start on the missile itself?

Mr. BOATRIGHT. Well, we do not believe that it was Congress' intent to cancel the ASAT program given that $165 million in development funds were appropriated. We in DOD still strongly believe that an ASAT capability is required as soon as possible for national security. The Soviets have had an operational ASAT system for more than a decade, which places several of our critical satellites at risk.

Further, a growing threat is posed by present and prospective Soviet satellites which are designed to support directly the USSR forces in the event of a conflict. In our view, the United States must take the steps necessary to reassess the existing situation in which the Soviets have full freedom to attack our space systems knowing that their satellites, including those providing targeting data, are not vulnerable to counterattack.

While congressional restrictions prohibit testing against objects in space have caused major perturbations in the FY 86 effort, we have revised the near term plans and strongly feel that we can obtain essential data, using other techniques which fully comply with the law. Our recommendations are currently under final evaluation by DOD.

Therefore, we asked for the construction to support this targeted operational date because we believe the system must be deployed.

[CLERK'S NOTE.—The following questions were submitted by Mr. Hefner:]

Question. Funds to enable the deployment of an anti-satellite weapons system have again been requested in fiscal year 1987. The justification indicates that construction is necessary in fiscal year 1987 to meet an ———. Explain how and why the ——— was established given the Congressionally imposed prohibition on testing this system against objects in space, and the lack of a production start on the missile itself.

Answer. The ——— was established by DoD and is driven by the need to obtain a US ASAT capability as soon as possible for national security. The Soviets have had an operational ASAT for over a decade which places several of our critical satellites at risk. Further, a growing threat is posed by present and prospective Soviet satellites which are designed to directly support their forces in the event of conflict. In our view, the United States must take the steps necessary to redress the existing situation in which the Soviet Union has full freedom to attack our space systems, knowing that their satellites, including those that provide targeting data, are not vulnerable to counterattack. While the Congressional restriction prohibiting testing against objects in space has caused a major perturbation to the planned FY 1986 activities, we have revised our near-term plans and strongly believe that we can continue the development program by using other alternatives which fully comply with the law. Our recommendations are currently under evaluation by OSD.

Under the restructured program presented in the FY 1987 President's Budget, we have added a production transition phase to make the system more operable, supportable, and producible. One part of this transition phase includes upgrading several of the development missiles and purchasing 4 additional flight missiles into which improvements will be implemented. Since the new program also defers the start of production to FY 1988,———.

Answer. Public Law 99-190 prohibits The DoD from using any FY 1986 or prior year funds to test against an object in space. Consequently, we have developed several alternate approaches, which do not include any intercept tests, to continue a viable development program through the end of FY 1986. These approaches are under evaluation by DoD and we expect a decision shortly. We now plan to conduct ——— unless Congress places a similar restriction on the Program.

The production decision for the first ——— is planned for the fourth quarter of FY 1987.

[CLERK'S NOTE.—This concludes Mr. Hefners questions.]

SPACE SHUTTLE

Mr. HEFNER. I have a couple of questions for the record. I have a couple more, then I will yield.

With the recent disaster of the Space Shuttle, what is the current schedule for the first launch of the shuttle at Vandenberg Air Force Base?

Mr. BOATRIGHT. I don't have that information today. I would like to be able to provide it for the record, if I could.

[The information follows:]

The schedule of the first launch of the shuttle at Vandenberg AFB is dependent upon the findings of the Presidential Commission investigating the Challenger accident and NASA's actions in implementing the Commission's recommendations. Information provided by NASA to the DOD currently indicates a minimum of 12 months before launches of the space shuttle are resumed and a launch from Vandenberg AFB no earlier than March 1987.

Mr. HEFNER. So you don't have a schedule for launches from Vandenberg?

General ELLIS. Of course we planned to launch this year. We are now reassessing the whole system and it will be later this year before we make any decision.

Mr. HEFNER. Are you reassessing that before we had the disaster, or since then?

General ELLIS. Since.

Mr. HEFNER. So until this happened, you were ongoing for this fall?

Mr. BOATRIGHT. Yes; we were scheduled to launch this fall.

Mr. HEFNER. Do you anticipate any need for any further construction funds for the launch complex?

Mr. BOATRIGHT. Not that I am aware of.

General ELLIS. No.

Mr. BOATRIGHT. I think we have all the facility requirements. We have met all the facility requirements at Vandenberg.

[CLERK'S NOTE.—The following questions were submitted by Mr. Hefner.]

Question. Specifically, what is the schedule for launches of the Shuttle from Vandenberg AFB for the next three years?

Answer. Due to the recent Space Shuttle accident, the schedule of all Shuttle launches, including those from Vandenberg AFB, is jointly under review by NASA and DOD. The new schedule will be dependent on the downtime resulting from the findings and recommendations of the Presidential Commission investigating the accident.

Question. Describe the need for an addition to the power plant at the Oak Mountain Complex.

Answer. The addition to the Oak Mountain site power plant replaces a deteriorated stand-by diesel generator supporting a telemetry system monitoring vehicle checkouts and launches from Vandenberg AFB. Commercial primary power supplying this remote site has repeated power outages and is frequently subjected to high winds. This project allows continuous electrical power support to critical telemetry data collection systems required to monitor missile and payload conditions of all launches from Vandenberg AFB.

[CLERK'S NOTE.—This concludes Mr. Hefner's questions.]

Mr. HEFER. At this time I will yield to Mr. Edwards.

Mr. EDWARDS. First, on ASAT, can you tell us, this is not your area, but is there any progress made in Geneva on ASAT negotiations?

We have had our briefings from the DIA, we are very much aware of the Soviet ASAT capability. Certainly I think we need to proceed as rapidly as possible unless they decide to dismantle also theirs, which I don't think is likely. Is there any progress at all with regard to Geneva that you are aware of that would impact——

Mr. BOATRIGHT. I am not aware of the progress. We will be glad to try to address that question for the record, if you wish.

[The information requested by Mr. Edwards follows:]

No arrangements or agreements beyond those already governing military activities in outer space have been found to be in the overall interest of the US and its Allies.

In March 1984, the President reported to the Congress his space arms control policy. This report described the existing arms control regime, the potential advantages of verifiable agreements, as well as the problems of identifying space arms control proposals for comprehensive bans on ASAT type weapons.

The US has been studying a range of possible options for space arms control with a view to possible negotiations with the Soviet Union and other nations. The factors which impede the identification of effective ASAT arms control measures include significant difficulties of verification, diverse means of attacking US and Allied satellites, and threats posed by Soviet targeting and reconnaissance satellites which undermine deterrence.

Despite these difficulties, the US is continuing to study space arms control in search of selected limits on specific types of space systems or activities in space which could satisfactorily deal with problems such as those described above.

SPACE OPERATIONAL INTELLIGENCE CENTER

Mr. **Edwards**. Can you fill us in on Peterson, the Space Operational Intelligence Center, where it stands, what the justification is, why it was located there? We have a paucity of information.

General **Ellis**. We have over the last few years, improved our intelligence gathering capabilities significantly. There are fusion centers of intelligence whereby, except for HUMINT, the intelligence we gather is fused together and we can extract from it the specific missions associated with it. Particularly at Peterson, all the relevant space information we collect from our collectors is fused by our intelligence people, then given to the operational people who can make the right decisions on our conduct in space.

The second package you may have noticed is SAC. The SAC facility does the same thing for SAC in support of the SIOP, but again it is a fusion center where we have taken these guys out of warehouses and World War II facilities, scattered all over the place, and brought them together where they can provide the quality intelligence information that the operators need to make wartime and peacetime decisions.

Mr. **Edwards**. Thank you.

Mr. **Hefer**. Mr. Rudd.

Mr. **Rudd**. On the ASAT program, I am totally in favor of it and I wish we could stop stumbling over mountains that are really mole hills in the problem because we do need it and we need to pursue it in every way possible. I know that there are difficulties involved obstructing it, but you are talking about in your testimony Langley and if we are going to pursue this program, as we should, and do it meaningfully, we must have some plans on line for a lot more than Langley.———.

I don't want to know where or anything like that but I would like to know have you made some construction plans, bed down plans or whatever you want to call it over and above this?

Mr. **Boatright**. Let me just read this because I want to be sure I am 100 percent right, but this will be a description of how we have refined our program. The force structure under the revised program has been divided into near term and far term categories. The near term category will address the more critical targets through the 1994-95 time frame. This structure consists of ——— 20 specifically modified F-15 aircraft at the single operational facility at Langley, ——— of carrier aircraft equipment, which mounts into the F-15 ammunition bay to hold the missile, and ——— Cheyenne and Mountain Complex in Colorado Springs. This will provide the command, control and targeting system.

Now, for the far term, we are——

Mr. **Rudd**. Can you stop there?

Mr. **Boatright**. Yes sir.

Mr. **Rudd**. We are talking about command and control, we are talking about carriers and F-15's, they don't have anything to do with carriers, is that right?

Mr. **Boatright.** I am talking about the carriers that are associated with carrying the missile itself. That will be in the aircraft.

In the far term, we are looking at other technologies which could provide an ASAT capability——— ———. We plan to make a final decision on this long range program in the FY 1991 time frame.

So, basically what we have done, we have tried to restructure our ASAT program to one location that will meet the near term critical requirements that we see over the next five or six years, and then address the longer term requirement through more procurement of current ASAT missiles, use of new technology which we believe will come out, or a combination thereof.

Mr. **Rudd.** Command aid facilities may be all over the world. I don't know, I mean to help point to targets and provide F-15s with the information they need to move?

Mr. **Boatright.** Well, I don't know the whole capability that exists today in order to guide those aircraft.

Mr. **Rudd.** Thank you.

Mr. **Boatright.** If you wish any more on this, I would ask General Ellis.

Mr. **Rudd.** No; I don't think it is necessary. I think it is up to us to try to open the aperture for proceeding.

Mr. **Boatright.** What we have done is ask for the construction at Langley once again, which we feel is absolutely essential in order to meet the operational capability which we are working toward.

Mr. **Rudd.** I only have one other question, maybe it isn't germain. Responsibility for construction of a new shuttle is not yours?

Mr. **Boatright.** No sir.

Mr. **Rudd.** You are thankful for that.

I guess NASA will be responsible for that.

Mr. **Boatright.** Yes sir.

Mr. **Rudd.** You have anything to do with it at all?

Mr. **Boatright.** No sir. The Air Force may have some involvement and does have some involvement, working with NASA, but I do not, and our area is the real property business.

Mr. **Rudd.** Thank you.

Mr. **Hefner.** We have some questions for the Strategic Training Center for the record and questions regarding Peterson Air Force Base Operational Intelligence Center for the record, and one other question I would like to ask.

KC-135 REBASING

Mr. **Hefner.** The introduction of the B-1B and redistribution of B-52s throughout SAC's basing structure has brought about a realignment of existing KC-135 tanker aircraft. This year's budget calls for a reduction of 13 KC-135's from Mather Air Force Base, California and adding 16 KC-135's to Malmstrom Air Force Base, Montana. Explain the entire rebasing scheme for KC-135's for this year and into the future.

Mr. **Boatright.** I would have difficulty explaining that off the top of my head. We would be glad to explain that for the record. It is a fairly detailed procedure where you look at both strategic and other refueling requirements in combination with basing alternatives. It is a whole checker game and I have been involved in it for many years. It is very complicated and we would be most willing to provide that for the record, but I think we would have some difficulty trying to explain it to you here.

Mr. **Hefner**. That is the way I handle my town hall meetings.

Mr. **Boatright**. Unless General Ellis would like to try.

General **Ellis**. No; the overriding criteria is support to SIOP. Malmstrom is good because it is in a great position to meet the bombers as they come out of the south, and that is the complexity of the mission.

[The information follows:]

The entire rebasing scheme for the KC-135's requires a reduction of aircraft from Mather AFB and McConnell AFB and the introduction of aircraft at Malmstrom AFB. The Mather KC-135's are an "older" vintage tanker and will be a source of backup aircraft to keep the fleet mission ready during the modification and re-engining actions. These actions convert the KC-135 into the economical and capable "R" model. The operating efficiencies gained from the KC-135R allow the Air Force to take advantage of Malmstrom, an optimum refueling base in support of our bomber aircraft. The initial increment of Malmstrom tankers, ten aircraft, will move from McConnell AFB to make room for the B-1B bomber. The remaining six aircraft will be from other SAC bases, yet to be identified. This rebasing scheme essentially completes the moves caused by the B-1B bomber and redistribution of B-52's.

Mr. **Hefner**. One other question. With the advent of the alternative technology bomber we have to begin thinking in terms of facilities to support it. Are the types of operational and flight line facilities currently being constructed at SAC bases interchangeable with the B-1, B-52 and ATB.

General **Ellis**. Firstly they are not alternatives for the B-1, so they would not compete for the same facilities the B-1's compete for. They compete for retired B-52 facilities probably. I don't, since I have no knowledge of the configuration or even proposed configuation of the alternative technology bomber. We don't know. I think that is all I can say that has any relevance to the facility package supporting ATB.

Mr. **Hefner**. So we have the total price, we have got a lot of unknown's on the ATB?

Mr. **Boatright**. Yes, sir.

Mr. **Edwards**. It is really hard to know what eventually is going to shake out in the Philippines and I was talking to some people at Scott Air Base about this—this was before Marcos left—trying to figure out where we were.

I am aware obviously that the Services are looking at alternatives should we have to leave Clark and Subic behind, and some other locations where they can go. Can you tell us how far you have gone in terms of—I know you can't know where you are going—if that eventuality occurs, how far has the planning in terms of those options and in terms specifically for our subcommittee's purposes of what kind of new construction costs might be required to duplicate Clark and Subic?

General **Ellis**. There is a full report showing all of that.

Mr. **Edwards**. We don't need to get into that then.

Mr. **Rudd**. Also, on the subject that we haven't been talking about but I think you know something about, the Treaty with Panama—which I opposed, and still do—it doesn't make any difference—there were a lot of arrangements for the turning over of all the facilities to the Panamanian Government, and I was shocked last year when the Commanding General of the Southern Command was before this committee and later when I saw them down at Panama, that when you really get down to brass tacks and turn this over, like that beautiful confidential facility in the mountains there and all of that, to the Panamanians and we have to leave, that we have made no plans for that departure, that we were under the illusion—I think it is an illusion—we can deal with the Panamanians and they will let us stay there and the Panamanians have a 400 year history of playing one side against the other. That has been the reason for the successes that they have had.

I am under no illusion we are going to be able to stay there at all. I am wondering if you are aware of any plans—there would have to be some construction plans and that sort of thing to move the Southern Command Headquarters out of Panama to the—the last time they had no idea at all in the beginning that when they appeared before the committee what would happen or where they would go when I got down there three or four months later they indicated well, perhaps we could go to Florida, which doesn't seem very satisfactory to me, but have you been clued in on any kind of planning that may be in the offing for the removal of that headquarters to anywhere else in the world in the Western Hemisphere?

Mr. Boatright. I have not been involved in any planning in that regard. We would be glad to take that question for the record and try to provide an answer.

Mr. Rudd. Thank you very much. I would like to see an answer to that.

General Ellis. No, sir.

Mr. Boatright. We will address that for the record.

[The information follows:]

There are no Military Construction Program funds in the President's budget or Air Force Program Memorandum to move the Southern Command Headquarters.

Mr. Hefner. If there are no further questions, the Committee stands adjourned.

[Clerk's note.—The following questions were submitted by Mr. Hefner:]

STRATEGIC ANALYSIS APPLICATIONS CENTER

Question. Explain the requirement for the SAAC at Offutt AFB and how the SAAC will improve our ECM intelligence capabilities?

Answer. The SAAC supports two distinct functions. One is electronic intelligence [ELINT] analysis, electronic countermeasures [ECM] software reprogramming, and ECM software and equipment testing. The other includes imagery intelligence exploitation (photo, etc), all-source intelligence analysis/fusion (electronic, imagery, human, etc), and intelligence report dissemination.

ELECTRONIC COUNTERMEASURES—SAAC

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The SAAC facility improves our ECM capability through close coupling of functions. Close coupling of near real-time intelligence sources, intelligence and analytical engineering analysis, computer reprogramming capability, and system testing/validation provides rapid ECM software changes to our Strategic Bomber forces. Currently, these functions are on two sides of Offutt AFB and off-base because the ECM Test and Validation facility is being demolished.

INTELLIGENCE EXPLOITATION AND ANALYSIS—SAAC

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Question. How much will the associated new intelligence equipment for this facility cost and in what fiscal year is it programed?

Answer. The following is a breakout of equipment required to support the functions and activities in the SAAC.

Equipment nomenclature	Procurring appropriations	Fiscal year appropriated or requested	Cost
Communications equipment	3,080	87	$1,215,000
	3,400	87	575,000
Hi-tech electronic analysis/preprograming/test equipment	3,080	85–91	63,604,000
Hi-tech intelligence equipment	GDIP	85–92	82,926,000
Total			148,320,000

TEMPEST SHIELDING—SAAC

Question. Why is TEMPEST shielding required on one-third of this facility?

Answer. TEMPEST or Radio Frequency Interference [RFI] shielding stops classified electronic signals emitted by computers, word processors, phones, etc., from escaping the building or control zone. It is usually a metal shield which prevents anyone outside the facility from intercepting such signals. The shielding can be either (1) the equipment itself or (2) unshielded equipment in a shielded room.

———.

ASSOCIATED EQUIPMENT—SAAC

Question. Why are no associated equipment costs shown in the 1391 for this project?

Answer. The equipment and associated costs were inadvertently omitted. The equipment is state-of-the-art and is available for off-the-shelf procurement. Cost of equipment is $1,800,000.

INDIAN SPRINGS, NEVADA—CONTROL TOWER, $1,700,000

Question. Indian Springs, Nevada, is listed as an auxiliary field supporting Nellis AFB, Nevada. How much is this airfield used in support of Red Flag exercises?

Answer. Approximately 60% of all landings at Indian Springs are associated with Red Flag. These included emergency diversion and normal operations.

Question. Are there any new missions or increases in usage being contemplated for this airfield?

Answer. Several proposals exist for increased usage of Indian Springs; however, no final decisions have been made. Proposals are:

(1) Quick turns/integrated combat turns for Red Flag aggressor/close air support aircraft.

(2) Deployments of 6-8 Red Flag aircraft (OA-37/T-37/OV-10).

(3) Expansion for Red Flag Bare Base/Collocated Operating Base (COB) training.

(4) Potential Operational Readiness Inspection deployment site.

LUKE AFB, ARIZONA—F-15 BEDDOWN

Question. Explain the requirement for TEMPEST shielding in the academic operations and flight simulator facilities.

Answer. The TEMPEST shielding requirement is determined by the type of equipment in these facilities. In the simulator, electronic warfare [EW] training requires recording the pilot's maneuvers when confronted with different EW scenarios created by using actual EW equipment. The electronic emanation of this equipment represents a possible compromise of national security if not shielded. In both the Squadron Operations and Flight Academics Facilities, the TEMPEST shielding is required to play video recorders of mission tapes and for navigational computers programming hardware and software equipment. Tactical Air Command, Information Systems personnel performed a security check on the Flight Simulator project and validated TEMPEST shielding. Equipment data is being compiled on the F-15E weapon system to evaluate the Squadron Operations and Flight Academics facilities. Preliminary analysis indicates a requirement for TEMPEST shielding but a full evaluation will be used to validate the TEMPEST shielding requirement.

Question. How do the Range requirements at Luke AFB interrelate with other existing ranges in the region?

Answer. The Luke Range Complex, covering over 2.7 million acres, is the primary air-to-surface range in this region of the county. The entire range complex is used by all branches of the armed services, both active and reserves. The only other air-to-surface range on the periphery of the Luke air operations would be EL Centro controlled by the U.S. Navy. This range is also fully utilized, primarily by the U.S. Navy and Marines. Satisfying the range requirements for Luke and other Southwest based operational units continues to receive emphasis at both unit and Tactical Air Command levels. By close monitoring and efficient scheduling of available range time for all services' requirements, the Luke Range Complex remains one of our most valuable combat training resources.

Question. A land acquisition is apparently required at Luke AFB in the future for Ranges. Explain this requirements.

Answer. Land acquisition on the range at Luke AFB is not an expansion, but merely purchasing the land presently being leased as part of the range complex. This project supports the Air Force intent that short-term leasehold condemnation of real property rights must be programmed for permanent acquisition through the military construction program. Tactical Air Command has leased these parcels of land over forty years and the current lease expires in 1987.

Question. Explain the purpose of the F-15 beddown at Luke AFB, Arizona.

Answer. Luke AFB will be the only installation for training aircrews and maintenance specialists transitioning into the 2 seat F-15E aircraft. Two F-15E squadrons will replace two-squadrons of F-15 A/B aircraft.

AIR FORCE ACADEMY, COLORADO

Question. The new gymnasium for the Air Force Academy has once again been requested at $7.4 million. Describe the planned expansion and alteration and why present facilities only meet 80% of the space requirement.

Answer. The reduced scope and cost satisfy Congressional concerns and directions during the FY 1985 MCP hearings. The revised scope includes a 62,500 SF addition, including nearly 30,000 SF of multipurpose court space with spectator seating, approximately 5,000 SF of administrative and classroom space, 10,000 SF of equipment repair and storage, with the balance as lobbies, support, halls and stairs. The alteration work consists of converting 9,000 SF of existing space into a female locker/training room with the balance covering various adjustments to accommodate the new addition.

The existing facility is undersized primarily because it was not significantly increased when the cadet wing expanded from 2,400 to 4,400 cadets.

Question. How much of this project is devoted to new locker room facilities for females?

Answer. Approximately 9,000 SF of existing space will be altered to provide new locker room facilities for women.

Question. Describe in detail the new multi-purpose area with spectator seating in terms of its size and purpose.

Answer. The new multi-purpose area will consist of nearly 30,000 SF of floor space with 4 multi-purpose courts and seating for nearly 1,500 spectators.

Question. How many new or improved indoor courts of all types will be contained in this new facility?

Answer. The addition includes four new multi-purpose courts.

Question. Why is an additional gym addition for $1,600,000 required next year for the Community Center gym?

Answer. The Community Center Gym addition moved from FY 1988 to FY 1989. This is an independent requirement and is not related to the FY 1987 cadet gym. The two facilities are 7 miles apart and support different segments of the academy population. The community center gym is similar to base gyms at other Air Force bases and is sited to support permanent party personnel and their dependents. It is currently too small to adequately support these people and must be enlarged. The cadet gym is used exclusively for cadet training, intramurals and intercollegiate competition.

Question. The amount of $230,000 has been requested for land acquisition at the academy for the "soar for all" glider program. Explain why this additional land is required

Answer. This land is required to seperate T-41 aircraft operations from glider, powered glider and parachuting orientation to satisfy flying safety requirements and reduce traffic density.

It will be used by T41 aircraft and the gliders will remain at the academy airfield.

Question. Is this land acquisition tied to the auxiliary airfield project in next year's program?

Answer. This land will be used to site the facilities for the auxiliary field.

Question. Are there plans for any upgrades or more sophisticated aircraft training at the academy in the future?

Answer. The Air Force has no plans to change flying training requirements for the cadets.

SECURITY IMPROVEMENTS

Question. The Strategic Air Command has developed a detailed security improvement program at its bases around the country. Explain the program.

Answer. The SAC Security Upgrade Program consists of construction of airfield fencing, alert bomber screens, and alert area taxiway barriers. This program will be accomplished over a 6-year period at a cost of $118.5 million. Airfield fencing will create a "security island" of critical flightline assets such as engine shops and maintenance hangars. Although a chain link fence will not stop an individual determined to trespass, it will deter the casual, walk-on threat. Where violent demonstrators see some degree of security, they normally divert their attention to lesser protected targets such as undefended noncritical assets to achieve publicity. Protective screening for alert bombers will reduce the vulnerabilty of the bomber to small arms fire from outside the area. Also, the screening will reduce aircraft exposure to a kamikaze vehicle attack. Although the screening will not protect against all threats, risk management dictates screening as a minimum to protect against the more likely threats. Alert area taxiway barriers satisfy the Air Force security requirement for movable barriers at the taxigap. They are designed to restrict entry to the area just as the fenceline does. Security police are currently assigned to compensate for the lack of a barrier. Open taxigaps are the weak links in the alert area perimeter security system.

Question. Are there any comprehensive security improvement programs being planned for the remainder of the Air Force?

Answer. Subsequent to the 12 Jan 81 Muniz incident, where eight A-7 aircraft were destroyed and two damaged, a review of the security posture at all bases was conducted, and 44 bases were identified to receive security enhancements. These improvements are funded through FY90.

Also, the Air Force Antiterrorism Program provides a variety of security enhancements at selected installations. A survey of Major Air Commands concluded that they are diligently pursuing security enhancements in accordance with current directives.

The Air Force conducted an installation security review in 1985 and found all MAJCOMs strongly supporting command projects to improve security. All these programs constitute the basis of a comprehensive improvement program.

Question. Will the $16 million budgeted for this program complete SAC's security improvements?

Answer. The FY87 MILCON in support of the SAC Upgrade Program provides 11 flightline fencing projects for SAC bomber bases. An additional FY87 security improvement project will provide enhanced security facilities for SAC Airborne Command Post, 55th Strategic Reconnaissance Wing, and National Emergency Airborne Command Post aircraft. MILCON in FY88–92 will provide additional flightline fencing projects, taxiway barriers at 15 bomber bases, and bomber screens at 17 bases. $16 million covers FY87 only and will not complete the security improvement program. The program's total cost is $118.5 million throughout the FYDP.

ALASKA—CONSTRUCTION COSTS

Question. The area cost factors used in Alaska have increased substantially since last year at remote locations such as Sheyma AFB Galena airport and King Salmon airport. Costs at Sheyma AFB have apparently increased 21% in the last year, while at Galena airport they have increased 46% in one year. This has resulted in barracks projects with costs of over $100,000 per man. Can you explain these enormous cost increases?

Answer. Area cost factors are developed to adjust standard design estimates, based on average prices one would expect to pay in the CONUS, to incorporate additional costs or savings associated with cost of construction at each location. They have been developed by a market basket survey of 20 materials and 10 labor crafts in 144 cities in the CONUS (3 cities in each state). The average costs were used as the basis of comparison for the cost of the same market basket at specific DOD installations. The cost ratio was then adjusted by a number of site specific refinements, including:

Seismic zone considerations.

Mobilization costs (e.g., cost for firm to set up and operate out of Shemya or Galena from Seattle).

Amount of competition in the area.

Labor productivity.

Two of these factors (mobilization costs and labor productivity) were considered for the first time in these estimates, significantly increasing cost factors for most remote locations. There are two "barracks projects" at remote locations in Alaska in the FY 87 MCP: Galena Unaccompanied Personnel Housing, $7.6 million, and King Salmon Unaccompanied Officer Personnel Housing, $4.1 million. Both projects provide barracks space *and* fallout shelters. The shelters account for between 10% and 17% of the project scope. Taking that scope from the unit price and using the OSD approved area cost factors, both projects are within 5% of the DOD estimated cost per person.

Question. What efforts in packaging or innovative construction techniques has the Air Force made to reduce these costs, which are four times the normal construction costs?

Answer. Costs at isolated sites in Alaska are four times higher than Washington, D.C. due to freezing weather; high winds; importing labor; building housing for the labor; and hauling materials by barge to the site which can only be done in the summer. Packaging may help to reduce these costs because of economies of scale. We will package the Add-Alter Central Power Plant and Liquid Fuel Pipeline System projects to advertise as a single project with separate bid schedules. Packaging the projects into one contract may attract larger firms to accomplish the work at less cost to the government because of decreased mobilization costs. There would only be a requirement for a single contractor camp, thus avoiding duplication of support facilities for construction workers. Other benefits, such as reduced contract administration costs, fewer subcontractors, and consolidated shipping costs should also be realized.

KIRTLAND AFB, NEW MEXICO—OPTICS AND BEAM CONTROL LAB

Question. A new laboratory for experimentation on the next generation of short wavelength high energy laser systems has been requested. Explain the eventual application of these systems and their relation to the Strategic Defense initiative?

Answer. The Air Force short wavelength high energy laser program has different missions and requirements than the SDI program. The Air Force program has missions that include airborne self-defense, and moderate range, long dwell-time ground based lasers. The SDI missions will require very long range, short dwell-time requirements, and include spacebased laser systems. Laboratory will primarily support Air Force missions with a spinnoff benefit to SDI research.

Question. Why has this facility been requested for the Air Force rather than the SDI organization?

Answer. The Optic and Beam Control facility will be located at Kirtland AFB, New Mexico, to support optics basic research and exploratory development at the Air Force Weapons Laboratory. It will primarily support research for Air Force missions in airborne self-defense and ground based lasers. A limited amount of SDI work will be done in this facility.

Question. I notice another laboratory for NP Beam and Microwave research in the outyear program for Kirtland AFB. How does this proposed facility relate to the lab requested this year?

Answer. The Optics and Beam Control Facility is a totally separate function from Neutral Particle Beam and High Energy Research and Technology facility. The requirements and missions for these facilities differ drastically. For example, the Optics Facility requires clean room conditions to grind, polish, and coat short wavelength, high energy laser quality optics. The Neutral Particle Beam Facility will house high vacuum chamber capability in a shielded area for high current, high energy light ion acceleration. High energy research and technology facility requires increased power to generate the high power microwave pulses and screen rooms to protect delicate data recording equipment.

Question. Congress denied a $47,000,000 project last year for a munitions storage complex at Kirkland. Will these funds be requested again and when?

Answer. These funds will be requested again in the FY 1988 or FY 1989 submittal.

EIELSON AFB—VARIOUS FACILITIES

Question. Eielson AFB, Alaska currently has a tactical fighter squadron of A-10's. Are there any mission changes being contemplated? If so, will the existing facilities, which have been substantially improved and expanded over the past few years, be usable for the new mission?

Answer. Yes. The Air National Guard [ANG] will activate a new KC-135 squadron at Eielson AFB on 1 October 1986. This unit will use some existing facilities on both a short-term and long-term basis. In the short-term, existing facilities will be used jointly with the active duty units (6 Strategic Wing and 343 Tactical Fighter Wing). One or two existing buildings can be made available to the ANG for long-term administrative, squadron operations, and training facilities; however, these buildings will need extensive alteration to meet configuration requirements. New construction is required to support the ANG requirements for hangar and shop space.

Question. Justify the $150 per SF cost for a new library at Eielson AFB.

Answer. The $150/SF cost is below the OSD FY 87 pricing guidelines. Unit cost for a typical 12,000 SF recreational library is $72/SF, multiplied by an area cost factor of 2.13 for Eielson, gives: $153/SF. This is multiplied by a size adjustment factor of 1.04 which gives: $160/SF.

ADMINISTRATIVE FACILITIES

Question. Last year Congress denied all but $45 million in Air Force administrative facilities. This year $153 million has been requested. Can you comment on the wisdom of deferring administrative facilities as low priority items?

Answer. All administrative facility projects requested are sound projects and deferring them is not economically wise. These projects allow us to satisfy deficiencies in admin space, demolish WWII buildings or buildings no longer economical to maintain and repair, and consolidate like functions for more efficient operations. Deferring these projects not only increases individual projects costs, but also increases future O&M costs to maintain the existing facilities.

Question. Do you have and are you willing to supply a priority list of administrative facilities in the fiscal year 1987 program.

Answer. The Air Force does not have a priority listing of administrative facilities. Each project, including administrative facilities, in the FY 87 budget request has been validated by Air Force field commanders and air staff functions as a necessary and vital requirement.

KELLY AFB, TEXAS—FUEL SYSTEMS TEST FACILITY, $10,900,000

Question. Why is a facility for this type of testing necessary and why does this test facility cost $175 per square foot?

Answer. This facility assures component reliability after depot overhaul repairs but before shipping the components to worldwide locations and eventual installation on fighter and cargo aircraft.

Testing in an enclosed environment is absolutely necessary on life critical main fuel controls, pumps, nozzles, valves and sensors to prevent contamination from an outdoor environment. This facility houses $19 million of new technology test equipment, over 100 personnel, and $545 million average annual inventory of 51,000 fuel system components.

The unit cost of this facility is higher due to unique and specialized testing equipment as well as fuels needed to conduct the tests. These requirements include precise environmental controls, sophisticated fire protection systems, special sparkproof flooring, fire walls and doors throughout the facility, special power and compressed air systems, pressure relief roof panels, stainless steel lines, underground storage tanks and a carbon absorption air handling system.

KELLY AFB, TEXAS—AIR LOGISTICS CENTER, $39,000,000

Question. The amount of $39,000,000 has been requested for a new weapons system support center at Kelly AFB, Texas. The justification claims that this cost will be paid back in less than 2 years due to manpower decreases and management efficiencies. Explain specifically how this pay back will be achieved.

Answer. The payback for this project was based on an extensive economic analysis of investment costs versus benefits of savings. Investment costs included construction, design, furniture, relocation, communications, and lost production time. Savings include reduced manpower, cancellation of two FY 1987 and one FY 1989 MCP projects, reduced maintenance and repair requirements for over 540,000 square feet of floor space in 27 wooden buildings committed for disposal, energy savings and improved work flow efficiencies. A present value factor was applied to each of the items to insure an equitable comparison. This resulted in a total investment cost of less than $60,000,000 and a total benefit value of over $110,000,000, which provides the less than two-year payback period.

Question. When will these manpower decreases actually occur?

Answer. We plan to implement the personnel decreases upon beneficial occupancy of the completed building, estimated in early 1990.

Question. Is the Air Force planning more facilities of this type? If so, where?

Answer. Projects to support similar functions at the other Air Logistics Centers are currently in the planning and programming stages. Robins AFB, GA, is currently proposed for FY 1988, with Tinker, McClellan and Hill AFB's to be programmed in the outyears.

NEWARK AFS, OHIO—RADAR LAB

Question. Why is this new facility required, how many people work in the current facility and why is the unit cost so high?

Answer. This facility replaces the existing small, substandard space that lacks adequate shielding to protect personnel from radiation exposure. Currently, eight personnel are assigned to the radiation lab activity. The lab mission provides essential calibration support for radiation equipment used throughout the Air Force and develops radiation measurement standards. The unit cost for the facility is based on the requirement to build most of the facility underground with radiation shielding to protect employees as well as the surrounding areas from high radiation source equipment.

WRIGHT-PATTERSON AFB, OHIO

Question. Explain the purposes and goals of Biocommunications research?

Answer. The Air Force Biocommunications research provides the best possible jam-proof, secure communications air-to-ground and air-to-air under all stressed and chemical warfare conditions. Results of this research will also allow the Air Force to exploit automatic voice control and speech recognition.

WRIGHT-PATTERSON AFB, OHIO

Question. How much equipment will be required for this facility, when is it programmed for funding and why is it not listed in the 1391?

Answer. Most of the laboratory equipment for this facility is already in place and not included in the DD Form 1391. Other equipment for specialized experiments may be acquired as needed as specific tasks are identified.

WRIGHT-PATTERSON AFB, OHIO

Question. Over $18,000,000 has been requested for roads in and around Wright-Patterson. Explain the reasons why the Air Force will pay two-thirds of the cost of a new connector road from I-675 to the base.

Answer. Based on a survey by the Military Traffic Management Command, in conjunction with the Ohio State Highway Department, the Air Force would generate an average of two-thirds of the traffic anticipated on the proposed connector road. Wright-patterson is the major aircraft tire depot for the Air Force, as well as the air terminal for missile components bound to and from Newark AFS, Ohio. Shipment of these commodities generates a high volume of truck traffic in addition to daily delivery traffic to the large and diverse functions at Wright-Patterson AFB. This traffic load which was documented in the survey resulted in the Air Force share of the access road cost being $15,000,000.

WRIGHT-PATTERSON AFB, OHIO

Question. Has this project been reviewed by the Military Traffic Management Command?

Answer. Yes; the Military Traffic Management Command approved the project in December 83. This connector road to Wright-Patterson AFB was included in the earliest planning stages for I-675 and was a major factor when the I-675 right-of-way was established.

EDWARDS AFB, CALIFORNIA—AVIONICS RESEARCH LAB

Question. This new laboratory is required for research on the Advanced Tactical Fighter and the C-17A. The existing lab spaces are apparently fully utilized for ongoing systems such as the F-16, F-15 and B-1. Are these existing systems at a sufficient stage of development to free up lab space for these new requirements?

Answer. No; the F-15, F-16, and B-1 programs are expected to occupy the existing lab spaces through the 1990's. The avionics systems in these airframes are undergoing continual expansion and upgrade from both the hardware and software viewpoints, and each change requires validation. Examples of avionics systems upgrades include: For the F-16; Low Altitude Navigation and Targeting Infrared System for Night [LANTIRN]; Digital Flight Controls; Advanced Blanker; Advanced Identification Friend of FOE [IFF]; the ALR-74 Radar Warning Receiver; NAVSTAR Global Positioning System [GPS] and Electronic Counter Counter Measures testing of the APG-68 radar.

The F-15 will begin F-15E multistage improvement integration testing on the following systems: LANTIRN; Digital Flight Controls; Integrated Fire and Flight Control System; ALR-53B; NAVSTAR GPS; Advanced Blanker, and avionics integration of the APG-70 radar.

The B-1B will continue to develop both the Offensive and Defensive Avionics suites on the aircraft. The Short Range Attack Missile-II; NAVSTAR GPS; Advanced IFF; Advanced Blanker; and multiple updates to the on-board ECCM software will be performed through the 1990's. Additional integration tests include cruise missiles; Forward Looking Infrared MILSTAR satellite communications terminal and MIL STD 1760 conventional weapons interface integrations.

LAUGHLIN AFB, TEXAS—LAND ACQUISITION AIRFIELD

Question. This land is currently leased, what is the lease cost and length of agreement?

Answer. The land is leased from Maverick County, Texas, at an annual rental of $24,000 for a five-year period which commenced on July 1, 1984.

LAUGHLIN AFB, TEXAS—LAND ACQUISITION AIRFIELD

Question. Has an economic appraisal of the value of the land been conducted?

Answer. An appraisal of fair market value of the land was prepared for the Air Force by M.C. Pageatt & Associates, an independent professional appraisal firm, under contract with the Corps of Engineers, Ft Worth District.

LAUGHLIN AFB, TEXAS—LAND ACQUISITION AIRFIELD

Question. Is the current landowner threatened to discontinue or terminate the lease?

Answer. Maverick County, Texas, owner of the land, renewed the lease on the premise that the Air Force would not have time to program the purchase of the land. No direct threats have been received to discontinue or terminate the lease; however, the last lease renewal was very reluctantly agreed to by the county.

JUSTIFICATION AND ASSOCIATED EQUIPMENT

Question. Our review of the fiscal year 1987 military construction request has revealed numerous instances, where the equipment associated with various projects if *not* listed in the 1391. This, in my opinion, shows a lax management attitude or a potential attempt to mislead Congress. Why is the equipment associated with projects not properly reported?

Answer. We include equipment costs when significant compared to the overall project cost. Seven projects were inadvertently not reported.

Location and title:	*Equipment cost*
McChord AFB, WA, air freight terminal	$6,927,000
Offutt AFB, NE, strategic analysis and applications center	148,300,000
Clark AB, RP, cope thunder operations facility	18,000,000
MacDill AFB, FL. alter USREDCOM Command Center	9,000,000
Langley AFB, VA, add to/alter data processing facility	16,200,000
Luke AFB, AZ, add to/alter flight simulator facility	25,000,000
Base 39, F-15E flight simiulator	25,000,000

DEPOT FLIGHT OVERHAUL FACILITIES

Question. In reference to the Depot Flight Instrument Overhaul Facility at McClellan AFB and the upgrade of the Heat Treatment Facility at Tinker AFB, were economic analyses conducted on these projects and if so what was the savings to investment ratio?

Answer. Economic analyses were conducted on both of these projects. The savings to investment ratio is 3.61 for the McClellan project and 1.02 for the Tinker project.

GOODFELLOW AFB, UOPH

Question. The cost for the Unaccompanied Personnel Housing at Goodfellow AFB comes to over 35,000 per serviceman. Please explain this high cost and the placement of such a large administrative facility within the facility.

Answer. Although the total project per capita costs may appear high when compared to enlisted personnel housing's per capita costs, it is not when related to other officer housing project. Based on a unit cost of $50 per square foot (SF) and a scope of 480 SF/officer, the basic facility cost equates to approximately $24,000 per officer, compatible with other Officer Quarters projects adjusted for size and area cost factors.

The administrative space will accommodate the base billeting office. This office manages and controls unaccompanied personnel housing, both officer and enlisted. The facility also includes the student officer squadron orderly room as well as lounges for the residents to watch TV and/or socialize.

RANDOLPH AFB, TEXAS-ADMINISTRATIVE FACILITY

Question. The 1391 for the Administrative Facility at Randolph AFB has a payback of five years. Please explain how this payback was developed including a display of annual cost savings.

Answer. The payback for this project was based on consolidating into a new facility to improve operational efficiencies. These efficiencies would reduce manpower by 10 spaces. This results in a savings of over $400,000 per year. The following is the estimated savings per year ($000):

Fiscal year:	
1987	
1988	$560,000
1989	450,000
1990	460,000
1991	420,000
Total	380,000
	2,270,000

ENERGY IMPROVEMENTS

Question. You have less than $10 million in your $2 billion plus program for energy. Can you explain the deemphasis?

Answer. For the past 10 years, the Air Force funded energy projects via the Energy Conservation Investment Program [ECIP]. The cumulative investment in ECIP, through FY 85, was approximately $450 million and helped the Air Force achieve its energy goals through avoided utility costs. The vast majority of these projects were facility energy retrofits to existing facilities.

The Air Force continues to support energy projects as part of facility revitalization projects, in the same manner as design of new facilities addresses energy requirements. In other words, the ECIP emphasis is now being included in the larger MILCON program, but not as a separate program. While the Air Force may be deemphasizing ECIP as a separate program, the emphasis on energy efficiency and conservation will continue as a strong portion of Air Force military construction projects and programs.

ENERGY MONITORING CONTROL SYSTEM

Question. It has been several years since we have seen an EMCS project. Now we have one at F.E. Warren. Does this mean that the software problems have been solved? Does it mean that we can expect more EMCS in near term programs?

Answer. The Air Force did not have any projects in the FY 85 and FY 86 programs due to a self-imposed moratorium. Software problems are now less significant as EMCS contractors/suppliers are more experienced and have resolved most problems. The F.E. Warren project is an expansion to a well operating EMCS. Programming of future EMCS projects is anticipated for FY 89.

NUCLEAR POWER PLANTS

Question. Last year we hard of a joint DOE/Air Force effort to research the use of small package nuclear units to use as back-up power: How far have you progressed on feasibility studies?

Answer. In a joint effort with DOE, we are evaluating small (i.e., 10-Megawatt) electric reactors for current and emerging secure energy needs to support critical operations. In May 85, DOE provided us with reactor power plant design concepts from six industry vendors, based on our functional and operational requirements along with DOE's expert review of the concepts. With the help of impartial outside expertise, we conducted our own evaluation, considering security, nuclear surety technical credibility, compatibility with example sites, costs, and institutional issues. In Nov 85, based on positive results of our evaluation, we notified DOE of our desire to continue with the joint program.

Question. Do you still think they are practical?

Answer. Yes.

Question. At what locations, or type installations are they being considered?

Answer. Nuclear is a possible option at any location requiring secure, reliable energy. These locations range from heavily industrialized bases responsible for mission-essential aircraft and weapon system maintenance and repair, to smaller installations hosting ground-based assets vital to present and forthcoming space, tactical, and strategic missions. At all possible locations, nuclear will have to compete with other options to meet energy needs.

Question. Why wouldn't you defer the Shemya Diesel Storage, Cape Cod Back-up Power, VAFB Oak Mountain Power Plant, Clark Power Plant, until you have results?

Answer. The energy needs at these locations are immediate and critical. Our program timetable with DOE calls for the first small reactor to be operating in 1990–1991.

Question. Have you done environmental assessments on potential locations?

Answer. We have done site studies at five Air Force installations as examples of where a nuclear plant might be located. We included environmental considerations in doing these broad assessments. Our Memorandum of Agreement with DOE calls for DOE to determine and ensure plant design to satisfy all applicable environmental quality requirements. We will monitor this carefully. When an Air Force site is suggested, we will accomplish appropriate environmental assessments.

Question. Do you plan more usage overseas especially in countries like the Philippines that currently have nuclear plants?

Answer. We will address possible usage overseas on a case-by-case basis as we get further along in the program.

Question. Is one of the anticipated benefits economy?

Answer. An independent cost analysis used DOE reviewed, vendor-supplied data, and methods and evaluation rates provided by DOE and DOD. In a direct comparison with offsetting purchased power, a small nuclear plant could save a life-cycle present value of up to $10,000,000, depending on the fuel price increases avoided by a nuclear plant. Also, a small nuclear plant could provide a similar savings of approximately $170,000,000 over a generally comparable diesel power plant providing secure energy.

TRAVIS AFB, CALIFORNIA—GYMNASIUM

Question. Why is seating capacity for 1,000 people planned as part of this gymnasium?

Answer. Sports events involving intra-mural teams, teams from other bases and teams from the civilian community attract an active spectator following. On the basis of past experience at Travis AFB, a 1,000-seat grandstand will be required to accommodate the spectator demand. In view of fire marshal restrictions on standees at these events, it is important to provide sufficient seating for all wishing to attend.

Question. How many squash and handball courts currently exist at Travis AFB?

Answer. There are eight squash and eight handball courts in building 230, the one existing gymnasium to be restained and upgraded by an operations and maintenance [O&M] project.

Question. Are steam rooms and saunas a normal part of the Air Force gymnasium?

Answer. To provide Air Force personnel facilities comparable to those found in the private sector, saunas and steam rooms are included in gymnasium projects where there is sufficient local expressed patron desire. The saunas which may cost from $1,000 to $5,000 depending on the size are in a program of supervised therapy. Historically, the majority of new gymnasiums have saunas while about one in four have steam rooms.

CAVALIER AFS, NORTH DAKOTA—SATCOM GROUND TERMINAL

Question. Why is a SATCOM Ground Terminal required for this remote site?

Answer. This satellite communication ground terminal provides survivable communications connectivity between the Primary Acquisition Radar Characterization System (PARCS), a vital segment of the Tactical Warning/Attack Assessment (TS/AA) system, and the NORAD Cheyenne Mountain Complex. Currently, the National Command Authorities do not have a survivable satellite connection to receive and disseminate the voice and data products from the PARCS. Existing connections to the NORAD Cheyenne Mountain Complex are over leased lines and a commercial satellite link. The existing circuits do not provide the jam-resistance and nuclear-survivable communications connectivity needed for war-fighting capability.

COMBAT ARMS TRAINING AND MAINTENANCE FACILITIES

Question. A number of requests have been submitted for combat arms training and maintenance facilities. How often are these facilities used by various types of active duty personnel?

Answer. In CY85 there was an Air Force wide requirement to train approximately 625,000 in weapon training, which reflects training slots not the number of personnel requiring training. Only 500,000 were actually trained primarily because of inadequate facilities which are too small, outmoded, and beyond economical repair. The combat arms training facilities are in use daily, including many on weekends when Air Reserve Forces are supported. Personnel who are armed daily and must be combat-ready are trained semiannually—security police, pararescue personnel, combat control teams, and tactical air control systems personnel. Trainees who are armed occasionally and/or have a combat commitment in wartime train annually—aircrew and missile launch crew members, maintenance and munitions personnel, command post and intelligence personnel, and mobility teams such as civil engineers. Replacement of substandard facilities and expansion of training capability is essential to ensure adequate training of forces securing nuclear weapons, strategic and tactical weapons delivery systems, command and control facilities, strategic reconnaissance and refueling capability, and providing for air base ground defense.

LORING AFB, MAINE—AIRCRAFT PARKING AND HYDRANT FUELING SYSTEM

Question. Loring AFB, Maine currently has B-52's and KC-135 tankers with a conventional munitions mission. Why should significant improvements be made to this coastal SAC base with the short response time to the SLBM threat?

Answer. The Aircraft Parking and Hydrant Fueling System for Loring AFB are required to upgrade and therefore enhance the operational effectiveness of the base. The improvements will ensure the timely recovery, maintenance and turnaround parking of the assigned forces. In addition, the improvements will reduce the safety concerns of preparing many aircraft during inclement weather where current operations require extensive towing over gradients which may be snow covered or iced. The existing refueling system is over 30 years old with corrosion spread throughout. The requested MILCON will ensure efficient aircraft generation during heightened tensions and subsequently the timely launch and recovery for any executed missions. With regard to the "short response time to the SLBM threat,"———

Question. How much longer do you anticipate operating B-52's and KC-135's from Loring AFB.

Answer.———

MACDILL AFB, FLORIDA—ALTER RED COM COMMAND CENTER, $1,600,000

Question. Last year funds approved for renovation of the RED COM headquarters were on the condition that no additional funds for renovations be sought. Why have more funds been requested this year?

Answer. The FY 86 MILCON project approve and funded a United States Readiness Command/Joint Deployment Agency (USREDCOM/JDA) building addition for administrative space. This project was identified in 1982.

The FY 87 alteration project will:

1. Construct space for the congressionally mandated Worldwide Military Command and Control System [WWMCCS] ADP upgrade program.
2. Intergrate the new DoD-wide WWMCCS Information System [WIS] Command and Control systems to USREDCOM/JDA.
3. Enable USREDCOM to continue ADP support to USSOUTHCOM, USCENTCOM, Alaskan Air Command, and 15 other organizations.

The $1,600,000 (FY 87) MILCOM project will alter and expand computer space within the USREDCOM Headquarters to accommodate the WIS Command and Control Systems.

Question. Why was this project incrementalized?

Answer. These two projects were not incrementalized. They are separate requirements, initiated in different fiscal years.

CONSOLIDATED SPACE OPERATIONS CENTER

Question. Over $100 million was spent to construct the Consolidated Space Operations Center Complex at Falcon AFS, Colorado. However, the Air Force last year delayed the purchase of equipment necessary for the Space Shuttle operations center at CSOC. This center was to have occupied half of the floor space at CSOC. What is the status of the funds necessary to buy the equipment to operate the Shuttle operations center at CSOC?

Answer. The FY 1987 President's Budget includes Consolidated Space Operations Center funding for the planning and control elements of the Shuttle Operations and Planning Complex [SOPC]. Additional capability will be added as requirements dictate.

Question. Will the Air Force meet the IOC of 1991 for this operations center?

Answer. The Air Force has programmed funds for the Consolidated Space Operations Center [CSOC] in FY 1986–1991 to provide both a Shuttle flight planning and s Shuttle control capability at CSOC by October 1991. This will complete the operational capability provided by the restructured Shuttle Operations and Planning Complex and meets the 1991 IOC.

Question. How has the current uncertainty in the Shuttle program affected the Air Force's plan for this center?

Answer. The requirement for the Shuttle Operations and Planning Complex is unaffected.

Question. The amount of $6.4 million has been requested for land acquisition and easements for the area surrounding the CSOC. Why did the Air Force wait until FY 87 to budget for this when the requirement was anticipated in 1984?

Answer. The estimate of $6.4 million is for the acquisition of ownership and easements over private land in the vicinity of CSOC. Purchase of the private land is part of an overall strategy involving a value-for-value land exchange with the State of Colorado, owner of the majority of land surrounding CSOC. The exchange was authorized by the 1985 Military Construction Authorization Act.

Without a mutually satisfactory exchange with the State of Colorado for its land surrounding CSOC, purchase of the non-contiguous private land could fail to protect the CSOC mission. Both the state and private land, which is "checker boarded" throughout the state land, are required to prevent incompatible development around CSOC. Therefore, a clear indication that the state was willing to negotiate an exchange was essential before we could confidently program private land acquisition.

Detailed appraisals of the land to be exchanged have been made and we have received agreement in principle from the State Board of Land Commissioners on an exchange that will include 2,560 acres of state land around CSOC. Negotiations are continuing on an additional 640 acres, plus height restrictions on 800 acres.

STRATEGIC TRAINING CENTER

Question. A $5.5 million strategic training center has been requested at Ellsworth AFB, South Dakota to support the SAC's strategic training route complex (STRC) in the northwestern United States. Describe the status of the nationwide STRC program.

Answer. The STRC, with six permanent sites, will be complete with construction of the sixth site, Belle Fourche, South Dakota, approved in the FY 1986 MCP. The STRC is a 500 by 500 nautical mile area in the northwest United States. The six permanent sites are supplemented by several mobile sites providing the variation in routes and threat scenarios required for "FIRST LOOK" capability and more realistic training for our bomber crews. The STRC will be used several times a year by every B-52, FB-111 and B-1B crew.

The Strategic Training Center [STC] is the hub of the STRC and manages and oversees the training sorties on the STRC. It provides critiques, briefings and debriefings to the various bomber crews using the STRC. The STC is in the FY 1987 MCP budget request and will complete the facilities necessary for a fully functional STRC.

In addition, five existing strategic training range [STR] sites, more commonly known as radar bomb scoring [RBS] sites, are located in other areas of the country plus an additional sixth site located in Guam. These six sites provide local, year round training and compliment the training received on the STRC. The first of the six sites is in the FY 1987 MCP. These STR, or RBS, sites are existing locations comprised of vans and trailers, usually on leased land, with no permanent modern facilities or housing. The FY 1987 MCP is the initial phase of a program to modernize and upgrade these local, or "backyard," sites. The remaining sites are scheduled to be programed over the next two years (FY 1988 and 1989).

Question. What efforts did the Air Force make to assess the environmental impacts at the STRC?

Answer. A programmatic Environmental Assessment [EA] for the STRC was completed in December 1981. A site specific EA for the Ellsworth center is scheduled for completion in April 1986.

Question. What is the status of the development, costs, and environmental assessments of the other strategic training routes?

Answer. Environmental assessments were completed in the 1982–1985 time frames for all six STR locations. Estimated total costs for these assessments were approximately $100,000.

Question. Will a separate environmental assessment have to be performed for the B-1's or ATB's use of these ranges:

Answer. Not necessarily. If the environmental effects of B-1 or ATB operations on a range are not substantially different from those already analyzed or predicted, then an aircraft-specific assessment would not be required.

Question. Are separate environmental assessments required for each type of aircraft on each range? If not, why not?

Answer. No; separate environmental assessments are not required for each type of aircraft on each range. The routes are assessed using a composite of effects resulting from the operation of the scheduled mix of aircraft. Where aircraft have similar noise, emission, or other characteristics which may effect the human environment, one analysis may cover all the similar aircraft.

STRATEGIC TRAINING CENTER

Question. What is the funding status of the equipment required to operate the Strategic Training Center at Ellsworth AFB?

Answer. The equipment required to operate the Strategic Training Center [STC] at Ellsworth AFB, SD is fully funded and on schedule. The schedule calls for a formal request for proposal [RFP] 30 April 1986 with contract award November 1986; the contract will call for equipment to be delivered for installation in the STC November 1988 for equipment set up and testing to meet the initial operational capability [IOC] of the STC in May 1989. Construction of the STC building will begin in FY 87/2 and be completed by FY 89/1.

OTH-B RADAR

Question. Briefly explain the purpose of the OTH-B Radar system and the requirement for an $18 million 74 mile standby power line at Buffalo Flats, Oregon.

Answser. The Over-the Horizon Backscatter [OTH-B] radar system detects and tracks bombers and air-to-surface missile approaching North America. It allows for all altitude, wide area surveillance of the air threat out to 1,800 nautical miles, providing NORAD with long-range tactical early warning, currently not available. The $18,000,000 requested in the FY 1987 budget provides a second power source to the West Coast transmitter site at Buffalo Flats, Oregon. Two power sources provide the reliability required for operations of the radar system. The power line, as a second power source, is the least costly and most viable alternative.

Question. Why is this to be a design/construct contract?

Answer. The local power company, Mid-State Electric Cooperative, will design and contract for this project. The Air Force will provide the power company funds for a one-time connection charge for which they will provide and acquire all right-of-way permits, land use and construction permits, and ensure all environmental criteria and standards are met.

Question. How will it be bid and will it be a sole source negotiation?

Answer. This will be a sole source negotiated contract with the local power company, Mid-State Electric Cooperative. The negotiated contract includes the design, construction, maintenance and rate structure for electric power. The Air Force will be reimbursing the power company for their one-time capital expenditure as a connection charge.

OTH-B RADAR

Question. Outyear requirements postulate the need for over $100 million to put this system into Alaska. Why is it necessary in Alaska and why is the cost so high?

Answer. The Alaskan OTH-B Radar System is required for air surveillance over the Aleutian Islands. The only existing caspability is a single AN/FPS-117 radar at Cold Bay, which provides coverage for Unimak Island and part of Unalaska Island. ———. Microwave radars, like the AN/FPS-117 can't detect low flying aircraft at sufficient distances to allow interception by fighters scrambled from the Alaskan mainland. The OTH-B radar is the only system that can provide the required warning time———.Construction required in Alaska include operations, support facilities and utilities. The cost of construction in Alaska is two to four times that of the continental United States. This factor and the remote location of the radar systems contribute to the high cost of facilities for OTH-B.

Question. Explain the requirement for a $1.25 million gym at the Bangor Airport to support the current military presence of 14 personnel and the projected total presence of only 200 personnel.

Answer. The gym provides adequate recreational facilities for the military personnel operating and maintaining the Over The Horizon Backscatter [OTH-B] radar on the east coast. The requirement is based on a military strength of 441. This is the only recreational facility available to the personnel assigned to this unit. Normal facilities such as bowling alleys, theaters, recreaction center, library or hobby shops are not on site nor projected in the future. The climate at Bangor is not conducives to year-round outdoor recreation and land is limited. The unit has looked into the use of off-base health spas and clubs and have found the price prohibitive.

Question. The Navy is currently planning an OTH-B system for the Pacific. How do these two initiatives relate and where else in the world are OTH-B's being planned?

Answer. The Air Force and Navy have developed OTH radar systems to meet their own unique requirements. The two services have coordinated activity such that air surveillance coverage from the deployed systems of each service will form a contigious surveillance barrier. The services have also formed a joint working group to assure that OTH radar data can be exchanged between the two systems in real-time. The Air Force plans three OTH-B systems in the CONUS (East Coast, West Coast, and Central US), one in Alaska and a jointly funded system in the UK. The U.S. Navy plans to place operational OTH radars ———.

ATB FACILITY INTERCHANGEABILITY

Question. With the advent of the Alternate-Technology Bomber we have to begin thinking in terms of facilities to support it. Are the types of operational and flightline facilities currently being constructed at SAC bases interchangeable with B-1, B-52 and ATB.

Answer. Concepts for the operational and flightline facilities to support the Advanced Technology Bomber [ATB] are under development. Details of the ATB program are specially controlled under "Special Access Required" procedures. Procedures have been developed to provide this material through the committee staff.

Question. Are the CASS systems being installed compatible among our bombers and tankers?

Answer. CASS systems now being installed are compatible with the bombers and tankers in our inventory of strategic forces.

[CLERK'S NOTE.—This concludes Mr. Hefner's questions.]

TUESDAY, MARCH 4, 1986.

NAVY/MARINE CORPS MILITARY CONSTRUCTION PROGRAM

WITNESSES

L.W. ARNY, III, PRINCIPAL DEPUTY ASSISTANCE SECRETARY OF THE NAVY (SHIPBUILDING AND LOGISTICS), DEPARTMENT OF THE NAVY

REAR ADM. J.P. JONES, JR., CEC, U.S. NAVY, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

BRIG. GEN. J.P. HOAR, U.S. MARINE CORPS, DIRECTOR, FACILITIES AND SERVICES DIVISION, INSTALLATIONS AND LOGISTICS DEPARTMENT, HEADQUARTERS, U.S. MARINE CORPS

COMMANDER A.L. WYNN, CEC, U.S. NAVY, DIRECTOR, PROGRAM DEVELOPMENT DIVISION, MILITARY CONSTRUCTION PROGRAMMING, NAVAL FACILITIES ENGINEERING COMMAND

CAPT. T.M. DALY, HEAD STRATEGIC CONCEPTS GROUP, OFFICE OF THE CHIEF OF NAVAL OPERATIONS

CAPT. L.A. FERMO, CEC, U.S. NAVY, HEAD, SHORE ACTIVITY PLANNING BRANCH, OFFICE OF THE CHIEF OF NAVAL OPERATIONS

STATEMENT OF THE CHAIRMAN

Mr. HEFNER. The Subcommittee will come to order.

We are happy to have you gentlemen with us today. We apologize for keeping you waiting, but some of our members are late from time to time.

They don't get stars on their helmets this week.

Today, the Subcommittee will consider the fiscal year 1987 Navy and Marine Corps military construction request of $1.8 billion.

Our hearing this morning will concentrate on projects and programs in the United States. Overseas programs will be covered at later hearings.

Our session today will be both closed and open. We will begin in closed session to hear a presentation on the threat as it relates to the homeporting initiative.

Following the closed portion, we will open the session to hear from Mr. L. Wayne Arny III, Deputy Assistant Secretary of the Navy; Rear Admiral John P. Jones, Jr., Commander of Naval Facilities Engineering Command, and Brigadier General Joseph P. Hoar, Director of Facilities and Services Division, United States Marine Corps.

Do any members of the subcommittee wish to make a statement before we begin?

Mr. RUDD. I don't have a statement.

Mr. LOWERY. I don't have a statement, Mr. Chairman.

Mr. HEFNER. At this point, we will proceed with the presentation on the threat and how it relates to the homeporting initiative.

Captain Daly, you may proceed in any way that you see fit. Are you sure that the room has been cleared?

Proceed, Captain Daly.

Mr. ARNY. Mr. Chairman, Captain Daly will give you a brief overview as you asked of the military strategic rationale. This is roughly the same presentation that we gave to Congressman Dellums, and we will give him an unclassified version in the open session tomorrow.

The real question is strategic homeporting, which is sometimes lost in the discussion. I would like to point out, also, the fact that it is not a project that has been thought up in the past couple of years.

HOMEPORTING AND THE NATIONAL MILITARY STRATEGY

PRESENTATION OF CAPT. T.M. DALY, HEAD STRATEGIC CONCEPTS GROUP, OFFICE OF THE CHIEF OF NAVAL OPERATIONS

Captain DALY. Mr. Chairman, distinguished members of the committee, it is my pleasure to be here this morning. Strategic homeporting is an essential element of our national military strategy. It enhances overall deterrence, reduces the vulnerability of our fleet, increases the fleet's readiness at the same hand and increases the ability of our fleet and Navy/Marine Corps team to respond to crises and be used for diplomatic leverage, as our National Command Authority may see fit.

If we could have some more light, we might be a little bit better off.

Mr. HEFNER. I thought that was part of the presentation.

Captain DALY. What we are attempting to do in the context of our national military strategy is to retain the strategic initiative so that we have the benefits of defense without the costs of war. Strategic homeporting is a part of the strategic construct developed by the senior leadership of the Navy, both military and civilian, to take advantage of those advantages that we have as we endeavor to keep our Nation at peace.

There are maritime elements to our national military strategy, and we call those the ——— and that takes the forces currently available, Navy/Marine Corps forces, and uses them in a coherent framework directed by the regional CINC's.

That strategy has been formulated as a result of analysis of our desired objectives, the capabilities, ours and those of our potential enemy, the best intelligence we have available, and consideration of the costs involved, which are not only monetary, but also taking the advantage of the effects of our strategic insularity as a Nation, and our strong national will.

There are three enduring elements that we have persisted since World War II: First, our geography; second, the alliances that we have; and the third, the increasing Soviet threat.

[Title slide and slides follow:]

GLOBAL MARITIME ELEMENTS OF U.S. NATIONAL MILITARY STRATEGY

● WASHINGTON
SEAPOWER INTEGRAL TO
DETERRENCE AND COALITION DEFENSE

[CLERK'S NOTE.—Classified slide removed.]

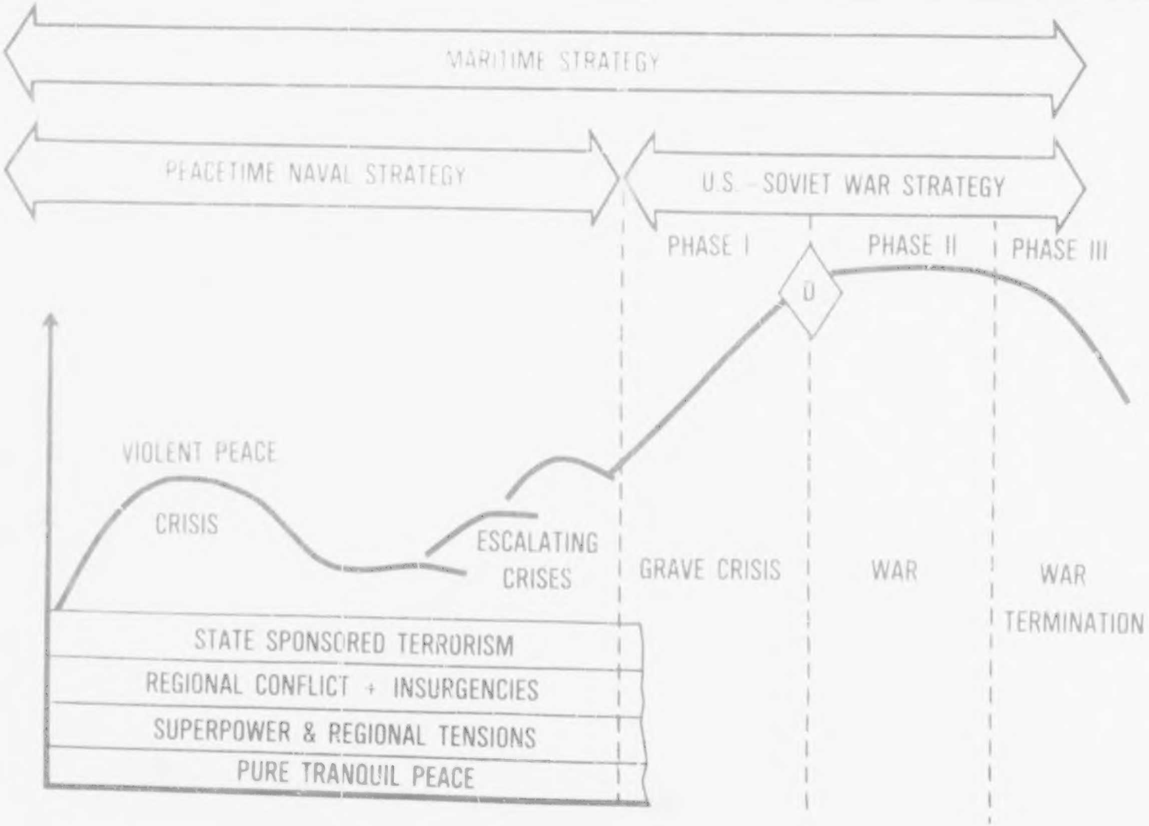
As you can see from this viewgraph, the United States has a central position in the world, and you can see from that central position in the world, and we are, in fact, an island nation.

Any national security problem that we have is, to a degree, a maritime problem. With strategic homeporting, we are attempting to develop a synergistic balance between the forward deployed forces and those forces that are preparing for deployment.

It is an economy of force type situation, in which we have those forward deployed forces and economy of force, but we have to be concerned about our strategic rear.

[Slide follows:]

STRATEGIC HOMEPORTING AT ALL LEVELS OF CONFLICT


MARITIME STRATEGY
PEACETIME NAVAL STRATEGY
U.S. – SOVIET WAR STRATEGY
PHASE I
PHASE II
PHASE III
D
VIOLENT PEACE
CRISIS
ESCALATING CRISES
GRAVE CRISIS
WAR
WAR TERMINATION
STATE SPONSORED TERRORISM
REGIONAL CONFLICT + INSURGENCIES
SUPERPOWER & REGIONAL TENSIONS
PURE TRANQUIL PEACE

Strategic homeporting is a geostrategic force multiplier. The bottom line here is the strategic homeporting leverages the disposition of maritime forces for the best U.S. strategic advantage.

I refer to our maritime strategy and this viewgraph gives a feeling for the range of that strategy. All the way from the peacetime area, on through a war with the Soviet Union and on into the new peace after termination of the war on terms favorable to the United States and its allies.

We don't want to ever get to war and we are concerned about deterrence. It is important at this point to talk about what deterrence is and is not.

Deterrence is not some abstract concept amenable to simple quantification. It is not a mirror image of what we think it should be. What deterrence is, in fact, is a viewpoint of the Soviets—looking at the Soviet mindset, the leadership of the Soviet Union, taking their values and sensitivities into account, and as they look at our national will and capabilities.

We have to think about that Soviet threat. In this era of violent peace, we are responding to crises, coming off crises, and we are constantly trying to keep from ever getting into a series of escalating crises, or a single grave crisis.

Strategic homeporting is also critical as we respond to things such as state-sponsored terrorism and regional conflicts. Strategic homeporting gives us, during this era of violent peace, the advantage of being more able to respond to those crises and gives us the advantage of being able to respond with more ready forces, forces that have the opportunity to train together.

[Slide follows:]

WHY IS DISPERSAL
OF NAVAL FORCES NECESSARY?

- DENY SOVIETS THE STRATEGIC INITIATIVE
- PROVIDE BETTER CRISIS RESPONSE LEVERAGE
- INCREASE BATTLE GROUP READINESS
- ENHANCE DETERRENCE

Why is the dispersal of those forces necessary? As we look at national military strategy and the maritime elements as well in an historical perspective we see that we are now in a period of time, 40 years after World War II, where we no longer have strategic affluence and overwhelming power.

As we build back to our force structure of 600 ships, and deploy those forces forward as well as disperse them around the continental United States, we have a force multiplier effect, which takes advantage of the assets that we have at our disposal.

What we are trying to do is deny the Soviets the strategic initiative. What we are attempting to do is to build the situation which the Soviets never feel that they have got the opportunity to take the initiative, and to engage the United States in a major conflict.

What we have as well by being deployed in the areas that you see on this particular chart, there are eight strategic geographic locations, going from the north to the central, to the south, both coasts, and two major locations in the Gulf Coast, gives us the capability of responding better at crisis leverage.

[Slide follows:]

SECRET

SOVIET ORDER OF BATTLE TRENDS
(MAJOR NAVAL COMBATANTS)

		1965	1975	1985
● NUCLEAR SUBMARINES				
TACTICAL	SSN			
	SSGN			
STRATEGIC	SSBN			
	SSGN			
SUB TOTAL				
● BATTLE FORCE SHIPS				
	CV(HG)(N)			
	CG			
	DDG			
	DD/FF			
SUB TOTAL				
TOTAL				

- MODERN LARGE, CAPABLE SHIPS COMING ON LINE
  - QUIETER, MORE SURVIVABLE NUCLEAR SUBS
  - LARGE DECK CARRIERS
  - MORE POTENT LONGER RANGE SURFACE COMBATANTS

* **TOTAL NOB 1836 ACTIVE SHIPS**

SECRET

One of the things that has happened since World War II is the Soviet operations have expanded their operating areas in the world. We have major assets in the Trident base at Bangor, the strategic jewels of the strategic crown, as it were. The Soviets operate in that vicinity.

[CLERK'S NOTE.—Classified slide removed.]

We have the same types of submarine assets in the northeastern part of our country. This homeporting complex in the northern part at Staten Island will help to protect those assets as well.

We have neglected our own backyard for a period of time, and we need a response capability in the Gulf Coast region. Some say this is not really important, we could bring ships around into the Gulf from the East Coast and respond as the situation warrants but that is not so. Bringing those ships around Florida requires them to steam, and to be on station, which means more fuel, more time on station, lack of maintenance availability time.

So if these ships are here in the Gulf Coast and there is a crisis in this area, the crisis response capability is increased. If we get into a crisis in the northern flank, near the northern choke points, New York being our number one container port, for instance, we have got the capability to respond more readily and more rapidly.

In the Northwest Pacific, Valdez oil is transported along the West Coast, another strategic sea line of communication. The Soviets are operating their subs in these areas off the coast of the United States as I speak.

Two submarines operating off each coast, two other intelligence gathering vehicles as well. The Soviets are out there in reality, not as a projection of possible capability.

We are not trying to develop operations in support—the things that we want to do are responding to the threats that actually exist.

Mr. RUDD. What about the home port? I mean what do you do with Kings Bay in Georgia?

Captain DALY. Mayport is right next to Kings Bay.

Mr. RUDD. Is that one of your key points?

Mr. ARNY. Only the new home port areas are marked in yellow. The existing ports are marked in green, and the red boxes, as I recall, are the specific assets.

Captain DALY. Yes, sir.

Mr. RUDD. Thank you.

Captain DALY. In addition to having that response leverage, we also have in this context increased battle group readiness. Those ships are working together, responding to crisis as a battle group. That gives them the opportunity to be better trained and to respond with increased combat capability. We are enhancing overall deterrence when we look at the Soviet Union and its policy of global encroachment coupled with its concern about correlation of forces.

It is significant to look at the Soviet Union, and its capabilities very rapidly. You can see here since 1965, there has been an incredible increase over the course of the last two decades up to 1985, in terms of pure quantity.

The quantity has increased significantly. Not only that, you can see it is not only quantity, but the Soviets have also engaged in a policy of global encroachment.

That global encroachment emanates from the four major Soviet fleets shown on the top of this viewgraph. Here you can see the areas off the coast of the United States where the submarines are operating on a frequent basis.

You can also see the out-of-area deployments that the Soviets are engaged in, and that they have more ships and are operating out of the area more frequently.

In 1965, they were operating with 6,000 out-of-ship days; in 1985, 61,000 ship days out of home port.

[Clerk's note.—Classified slide removed.]

The Soviets also have a qualitative increase of capability beyond 1985. They have got greater AAW capabilities developing an aircraft carrier for instance.

[Clerk's note.—Classified slide removed.]

Anti-surface warfare areas of concern. As the Soviets increase their capabilities, greater torpedo capabilities, and other types of concerns that face us as we face enhanced anti-submarine warfare capabilities.

These considerations are particularly critical when we look at the continental United States and our ability to deter the Soviets. The Soviets are concerned about executing a particular strategy that is to focus, with mass, in one particular area, to have the element of surprise. The Soviets calculate what is called a correlation of forces, and when they feel in a mathematical sense that they have got a distinct advantage, they then will take some action that is their accepted way of doing business.

[Clerk's note.—Classified slide removed.]

We are concerned about the Soviet submarine quieting. As those submarines, operating off our coast, become quieter over the next 10 to 15 years, we will have an even greater problem.

What I am attempting to do by referring to these categories of warfare, is to show that there is an aggregate that is involved—quantity on the one hand, quality on the other hand, and also a Soviet policy of global encroachment that has been followed. What the Soviets are doing for themselves is developing options.

[Clerks's note.—Classified slide removed.]

The Soviet strategy raises some questions. Any strategy is a design of bringing means to ends and the questions are shown right here. The two basic questions are: are the military objectives shifting or expanding?

[Clerk's note.—Classified slide removed.]

The answer to that is clearly, "yes."

Second, is the Soviet strategy changing? It is clearly changed as they have increased their operations to a global scale and expanded their areas of anticipated operations.

I mentioned the Soviets and thinking like the Soviets. We have to attempt to do that as we look at the advantages of strategic homeporting.

[Slide follows:]

SOVIET VIEW ON BASE ATTACK

"ALMOST ALL THE...OPERATIONS AND COMBAT ACTIONS IN HISTORY AIMED AT DESTROYING NAVAL FORCES IN BASES ENDED WITH VICTORY FOR THE ATTACKERS AND TOTAL DEFEAT OF THE DEFENDERS; LOSSES OF NAVAL FORCES ATTACKED IN BASE WERE PARTICULARLY HEAVY AND AT TIMES ASSUMED CATASTROPHIC DIMENSIONS."

VADM K. A. STALBO
NAVAL THEORETICIAN

This is an interesting quote is extracted from a classified Soviet document, worth reading. Almost all the operations and combat actions in history aimed at destroying Naval forces in bases ended with victory for the attackers and total defeat of the defenders.

Losses of Naval forces attacked in bases were particularly heavy, and at times assumed catastrophic dimensions. Vice Admiral Stalbo, who is quoted here, is still part of the Soviet Naval staff.

The Soviets are clearly concerned at their end about base attack, and clearly understanding the value of attacking bases on our side as well.

[Slide follows:]

POTENTIAL THREATS TO CENTRALIZED FORCES

- MINING
- SUBMARINES
- CONVENTIONAL CRUISE MISSILES
- SABOTAGE
- TERRORISM

STRATEGIC ADVANTAGES FROM DISPERSED FORCES

- COMPLICATION OF CONVENTIONAL TARGETING PROBLEM
- LESSER ATTRACTIVENESS/LOWER PAYOFF IN QUICK STRIKE
- ACTS IN FACE OF TERRORIST THREAT
  - LIMITS POTENTIAL FOR CRIPPLING BLOW TO OUR FORCES

These threats to centralized forces, look like this shown here on the top of this viewgraph. There is a strategic advantage from dispersed forces, and that complicates the conventional targeting problem for the Soviets.

The more targets there are, the more forces that have to be put forward. There is a reduced attractiveness and a lower payoff for a quick strike.

[Slide follows:]

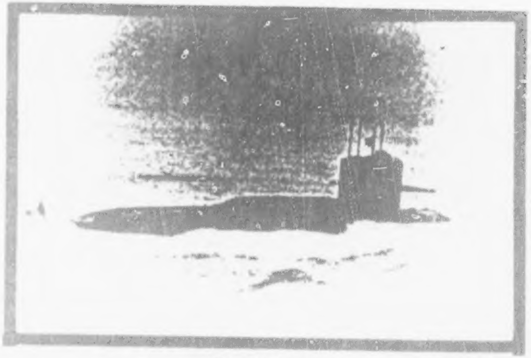
THREAT TO PORTS

BALLISTIC MISSILE SUBMARINES (SSBN)	62	SLBM
CRUISE MISSILE SUBMARINES (SSGN)	45	ANTISHIP MISSILES
LONG RANGE LAND ATTACK SUB LAUNCED CRUISE MISSILES (SLCM)		
ATTACK SUBMARINES		
DIESEL (SS)	140	TORPEDOES
NUCLEAR (SSN)	69	MINES
TOTAL (SS/SSN)	209	
MERCHANT MINING		
SOVIET/WARSAW PACT MERSHIPS DAILY IN/NEAR CONUS PORTS (WITHIN 200 NM OF US COASTS)	4 TO 5	
SOVIET MERSHPS TO CUBA ANNUALLY	OVER 400	
SPETSNAZ (SPECIAL PURPOSE FORCES) (1 BRIGADE PER FLEET)	4 BRIGADES	DEMOLITION SABOTAGE SURVEILLANCE

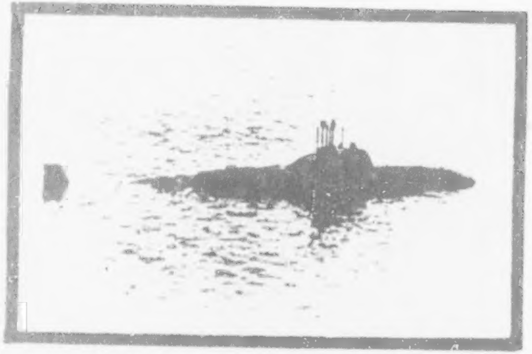
The threat to our ports in numbers looks something like this. The numbers, the types of ballistic missile submarines, guided missile or cruise missile submarines, attack submarines, the diesels that could lay off our ports. Mining from merchant ships is a major concern. Taking the number of ships on an annual basis off our coast, you can see on a daily basis that there are four to five Soviet bloc merchant ships within the vicinity of our ports.

Looking at the Caribbean, there are 400 Soviet merchant ships that go to Cuba on an annual basis. There is also the opportunity for the special forces of the Soviets to enter our territory, and to engage in sabotage in our ports.

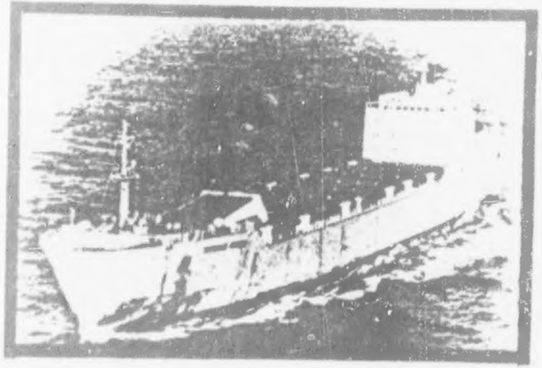
[Slide follows:]



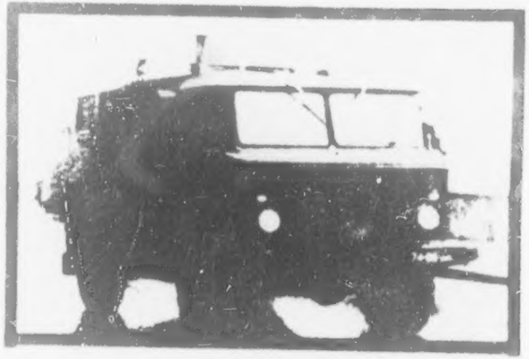
SLBM



SLCM/TORPEDOES/MINES



MINES



SABOTAGE

The Spetznaz are like the Army Green Berets, a type of force with a particular mission. In the upper left-hand corner, a *Yankee* class submarine, ballistic missile submarines, the type that are two off each coast today. Looking at those, the "bolt from the blue" type of attack is probably unlikely but nevertheless possible. You also have the sea-launched cruise missile, which could be launched from the Victor type submarine shown here. Torpedoes and mines as well are a concern.

Some would say the sea-launched cruise missile is not a threat, but in 1970 and 1971, during the Indo-Pakistani war, the Indians used STYX missiles to sink a merchant ship in Karachi Harbor; and that harbor was closed for a period of time subsequent to the attack.

I talked about the merchant ships off our ports, and those particular merchant ships have the capability, more than 100 mines in each of those ships, to deploy mines in our ports or in the vicinity.

They don't have to be inside our ports to launch, but can be off those ports at sea, and launch as well.

This is a ship, a ship like that which launched the mines in the Red Sea. This is the type of ship that can be used to launch the mines in the vicinity of U.S. ports.

We might see a type of truck similar to this; e.g., a U-Haul van. Someone could rent a van and special forces could be inserted into the vicinity of a home port and conduct sabotage operations as well.

There is a significant threat that could be posed to those ports and centralization allows that to happen in a much easier fashion. Dispersal gives us the upper hand in preventing these types of things from happening.

[Slide follows:]

THREATS TO OUR PORTS—THREATS TO OUR STRATEGY

CENTRALIZATION

- ALLOWS SOVIETS STRATEGIC INITIATIVE
- WOULD REQUIRE U.S. TO REACT TO OUT-OF-AREA SOVIET THRUSTS FROM WEAKENED STRATEGIC POSITION

DISPERSAL

- GIVES U.S. UPPER HAND IN SEIZING THE STRATEGIC MOMENT
- ALLOWS U.S. GREATER LATITUDE TO ACT IN RESPONSE TO SOVIET MOVES FROM STRENGTHENED STRATEGIC POSITION

It gives us greater latitude in responding to the crises. Looking at the Pacific Northwest—the northern spots are the areas where the Soviets are operating with greatest intensity.

[Slide follows:]

ENHANCED CRISIS RESPONSE CAPABILITY

- REDUCTION IN RESPONSE TIME
- GEOGRAPHIC PROXIMITY TO CRISIS
  - ABILITY TO SORTIE BATTLE GROUPS FROM LOCATION NEAREST CRISIS SPOTS
- MORE RAPID BATTLE GROUP CONSTITUTION/ FORMATION JOIN-UP

With the weather existing between the northern and souther parts of each of those ports, it only takes a day to get from the northern part to the southern part. There are other considerations as well.

It is not like hopping in a car and getting there. There are other considerations, sea conditions, flying conditions, all those things that are required to move a battle force together which need to be taken into account. As we look at our dispersal and our ability to respond to any particular crisis we have a significant advantage.

In the face of all that Soviet potential, in the face of the types of things we respond to on a routine basis, we have got an enhanced crisis response capability by strategic homeporting: reduction in response time, geographic proximity to the crisis, and the opportunity for the battle forces to move out of those home ports as a battle force operating together rather than, for instance, in San Francisco, to have a carrier in San Francisco and have escort ships coming out of Long Beach. It would take at least a day for those ships to organize and get together, and then move on to the crisis.

[Slide follows:]

BATTLE GROUP READINESS INCREASE

- SHIPS COMPRISING CVBGs, BB SAGs SHARE ONE HOME
- TRAINING PAYOFFS—SHIPS THAT SAIL TOGETHER TRAIN TOGETHER
- ORGANIZATIONAL/COMMAND EFFECTIVENESS
  - BATTLE GROUPS TRAIN WITH THEIR DEPLOYED COMMANDERS
  - NO SHIFT IN COMMAND WITH OVERSEAS SORTIE

This is a very significant addition to leverage our response capability, as we move into these strategic locations to take advantage of the strategic homeporting concept.

The battle group readiness increases, I won't dwell on that.

In a sense, the training payoff is that ships that train together fight better together. Not only are they fighting better together, but their commanders are also there in those same home ports and can train with them.

The leader is going out with those ships as well. Think back to that spectrum of violence. Looking at the deterrence aspects of it, there are some very specific advantages in the deterrence part of that violence curve. Taking advantage of the United States' geography enhances that leverage.

We increase the risk for anybody who wants to take advantage of our geographic situation, anybody who wants to come in and try and take advantage of that strategic affluence that we no longer have.

[Slide follows:]

CONTRIBUTIONS OF THE STRATEGIC HOMEPORTING CONCEPT

DETERRENCE

- STRATEGIC HOMEPORTING DILUTES THE STRATEGIC VALUE TO AN ADVERSARY OF HIS PRECONFLICT POSTURING
- DISPERSAL PROVIDES MORE RAPID USN RESPONSE IN TIME OF GEOPOLITICAL CRISIS
- MULTIPLE PORTS INCREASE CONVENTIONAL TARGETING PROBLEM, INCLUDING SPECIAL FORCES TARGETING PROBLEM
- STRATEGIC HOMEPORTING TAKES FULL ADVANTAGE OF BROAD INDUSTRIAL BASE AND MOBILIZATION CAPABILITY IN PEACETIME/CRISIS

NO WAR IS INEVITABLE—TAKE ADVANTAGE OF U.S. GEOGRAPHY

As we move on in escalation control, the thing that the Navy and Marine Corps a global scale, we are confusing the Soviets from another very important point.-

Soviet strategy is important to consider. What is important from the Soviet point of view is not to have multiple access of attack. They would like to have everything concentrated in one theater.

[Slide follows:]

CONTRIBUTIONS OF THE STRATEGIC HOMEPORTING CONCEPT

ESCALATION CONTROL

- GREATER PROBABILITY OF ARRIVING AT CRISIS EARLIER
  - PROXIMITY TO CRISIS
  - SORTIE AS A FULLY-CONSTITUTED BATTLE GROUP
- FORCE COMPOSITION AND SIZE
  - GREATER FLEXIBILITY TO MILITARY COMMANDERS
  - WIDER RANGE OF AVAILABLE OPTIONS TO NATIONAL COMMAND AUTHORITY

EARLY FORWARD PRESSURE FROM MULTIPLE AXES OF STRATEGIC ADVANCE

We are attempting to deny the Soviets their preferred strategy. Strategic homeporting contributes to that in a very great way, and a greater probability of arriving at the crisis earlier, with a larger and better trained force.

[Slide follows:]

CONTRIBUTIONS OF THE
STRATEGIC HOMEPORTING CONCEPT

WAR TERMINATION ON TERMS FAVORABLE TO U.S. AND ALLIES

- ABILITY TO MOVE AND MUSTER FROM A NUMBER OF DIRECTIONS
- WIDER RANGE OF OPTIONS TO ACT STRATEGICALLY, NOT REACT
- QUICKEST ELIMINATION OF ENEMY OUT-OF-AREA FORCES
- COMPLICATES AND WIDENS ENEMY STRATEGIC PROBLEM
- STRATEGIC HOMEPORTING TAKES FULL ADVANTAGE OF BROAD, MOBILIZED INDUSTRIAL BASE IN TIME OF WAR

DYNAMIC AGGRESSIVE FULL FORWARD PRESSURE—FOR STRATEGIC ADVANTAGE

Should we ever get to that point where deterrence has failed and be in a global war, strategic homeporting is still a benefit to us. We need to have that synergistic balance between forces that are forward deployed and forces that are at our strategic rear, a concept which has been with us since the Punic Wars, 200 years before Christ, when Carthage was attacked by the Romans.

The Romans went to Carthage, to the strategic rear as it were, and knocked Hannibal out of the contest before he was able to get to Rome.

We are in a position of being able to act, and not react.

SOUND AND ENDURING STRATEGIC CONCEPTS UNDERGIRD STRATEGIC HOMEPORTING

- PRUDENT APPROACH TO POTENTIALLY DANGEROUS MILITARY CONSEQUENCES
- GEOGRAPHIC BALANCE FOR SORTIE AS INTEGRATED FORCES, NOT DISPARATE UNITS FOR ASSEMBLY
- EXPLOIT U.S. NATIONAL GEOGRAPHY FOR RAPID CRISIS RESPONSE
- CONTINUING USN QUANTITATIVE DISADVANTAGE VIS-A-VIS SOVIETS REQUIRES WE TAKE EVERY OPPORTUNITY FOR QUALITATIVE ADVANTAGE
- BEST SITUATION FOR TRAINING/READINESS OF FLEETS
- BEST USE OF INDUSTRIAL INFRASTRUCTURE

In summary, there are sound and enduring concepts which undergird our strategic homeporting. It reduces fleet vulnerability, enhances the opportunity for training, and gives us the ability to respond more significantly, and quicker and better to crises.

That concludes my presentation, sir.

Mr. ARNY. Mister Chairman, that concludes our classified portion.

Mr. HEFNER. I have just a couple of questions here.

The GAO has indicated a threat from mining and sabotage could be greater in the new ports than in existing ports.

How does the Navy respond to that?

Mr. ARNY. I disagree with the GAO. If they have enough mining forces, they can cover all our ports, no matter how many we put in, but by dispersing the fleet, we make the job harder for them, they have to go to more locations in order to close us down, and fundamentally, that is to our advantage.

This makes our minesweeping capability much more effective.

Mr. HEFNER. Why would they say that? I don't understand. I disagree with them, and your rationale makes sense. Why would they say that?

Mr. ARNY. Admiral Carroll made the point if you have more home ports, they will mine those home ports. It is a disagreement over strategy.

If you put all the ships in one home port, it would be much easier for the opposition to mine because they would concentrate all their forces on mining that one port.

We believe if you spread out the ports by dispersing to the degree we can, as we add ships, we make the Soviet's targeting and mining problem harder. We make our mine sweeping problem a little harder, but we are building up our mine forces very painfully right now, because we are having some construction problems on the ship side.

We have air mine sweeping capability and we are going to a low mix, a COOP, craft of opportunity, where we have local reserve forces manning gray ships, with mine sweeping equipment that are trained and equipped to do harbor clearance, so we are addressing that mining problem.

Again, it is a strategic balance, more ports make it harder for them. Admiral Carroll made a statement to the effect that anybody attached to mine warfare didn't have a future in the Navy. I disagree with that. Somebody pointed out that Captain Daly had command of a mine sweeper.

I pointed out at the time, when I left the Naval Academy in 1964, Captain Daly was just checking in as a brand new midshipman. But he made Captain about the same time I did. The only way I have been able to keep ahead of him is to go out and join the civilian force.

Mr. HEFNER. I don't know what that means. The GAO report indicated that the Navy's decision to disperse the fleet that the Navy's decision to disperse the fleet was not based on a formal threat or survivability analysis.

They concluded that without this specific analysis, it is difficult to determine whether the threat is sufficient to warrant the cost of dispersing the fleet. What is the Navy's response to GAO's statement?

Mr. ARNY. They were looking at a pure Ops analysis, alternative A versus alternative B. That doesn't exist in the quantified way that we would like it. It began in the seventies when we started to look towards what we would do if we increased the size of the fleet.

I would like to insert a letter sent by Admiral Zumwalt to Senator Thurmond at Senator Thurmond's request. Admiral Zumwalt is frequently quoted as being the architect of reducing the size of the home ports.

It was his sad duty to preside over the elimination of a number of bases, and the loss of those bases was harmful to naval readiness, but necessary for the budget—at that time. We were going down to 470 ships from 1,000 and the base structure had to go along with it.

It also says he strongly supports the Navy decision, and the bottom line says, in his judgment, the hundreds of millions of dollars that must be appropriated in order for the strategic homeporting concept to be successful is fully warranted by the military benefits to be derived.

It is a strategic question in which many senior Chiefs of Naval Operation and Commanders-in-Chief of our fleets consider well worth the effort.

[CLERK'S NOTE.—A letter from Admiral Zumwalt to Sen. Thurmond was provided for the record.]

E. R. ZUMWALT, JR.
ADMIRAL, U.S. NAVY (RET.)

29 January 1986

The Honorable Strom Thurmond
Chairman
Subcommittee on Military Construction
United States Senate
Committee on Armed Services
Washington, D.C. 20510

Dear Senator Thurmond:

Thank you for your letter of January 21, 1986 requesting my professional opinion on the military merits of the Navy's program to base its ships in accordance with a new policy called strategic homeporting.

As Chief of Naval Operations from 1970 to 1974 during a period when the anti-war, anti-military mood of the United States public was leading to drastic reductions in defense, it was my sad duty to preside over the elimination of a number of bases around the United States.

As I testified during those years, the loss of these bases was harmful to Naval readiness, but necessary at a time when stringent budgets were forcing me to relinquish an even larger fraction of my ships and military personnel.

I strongly support the decision of present Navy management to disperse the now growing fleet to more homeports. There is no question but what spreading our fleet over a larger number of homeports will reduce ship vulnerability, enhance battlegroup integrity, avoid overcrowding, exploit and enhance our industrial base, improve active and reserve recruiting and, in some cases, move our ships closer to operating areas.

As the Soviet Navy continues to increase the number of submarines it maintains within short striking distance of our ports, the need for additional dispersion of our ships has increased.

In my judgment, the hundreds of millions of dollars that must be appropriated in order for the strategic homeporting concept to be successful are fully warranted by the military benefits to be derived.

All best wishes.

Sincerely,

E. R. Zumwalt, Jr.

1500 Wilson Boulevard
Arlington, Virginia 22209
703/841-8960

bc: The Honorable John F. Lehman, Jr.
Admiral James D. Watkins

OVER THE HORIZON RADAR

Mr. HEFNER. While we are in this closed mode, I would like to ask you gentlemen a few questions about the ——— over-the-horizon radar system.

Our understanding is that the total program cost for over-the-horizon radar system will be ——— of that being for military construction. How many different sites are planned for this system?

Admiral JONES. ——— The first one, and the one which is addressed for the first time in the fiscal year 1987 program, is at Amchitka, out the end of the Aleutians. Total ROTHR MILCON cost is ——— military construction costs. Total military construction costs, today's budget estimate for the ——— military construction alone, nor counting equipment.

Mr. HEFNER. You propose ——— sites?

Admiral JONES. Yes, sir.

Mr. HEFNER. You mentioned one.

Admiral JONES. Amchitka. I have a classified viewgraph that shows where all the sites are, and the relationship between the Navy and the Air Force OTHR program.

[CLERK'S NOTE.—Classified slide removed.]

Mr. TAYLOR. This particular chart shows the Air Force as well as the Navy proposed over-the-horizon radar sites. That in solid lines is where the Air Force has their sites and the ones in broken lines are where Navy will be located.

There is a distinct difference between the Navy and the Air Force sites, in that the Air Force is primarily interested in ———.

You will notice a lack across here, but that is because they have in existence their ———. The red are Navy sites. The Navy is primarily interested in ——— that pose a threat to our surface fleet, so over over-the-horizon radars are aimed at ———.

Mr. LOWERY. Where are the locations, if I might, Mr. Chairman? The one in the ———.

Mr. TAYLOR. That has not been firmly determined. We need something over there to cover ———.

Mr. LOWERY. Where are we looking in ———.

Mr. TAYLOR. We are looking all around ———. We just don't know. That is one of our last sites to be programmed. We are concentrating on the Pacific first ——— The first one, as Admiral Jones said, is up in Alaska at Amchitka. Follow on radars will be in ——— area represented by ——— areas. It takes ——— to get the coverage we need, so we are concentrating on the Pacific first, with the first site in Alaska, then ———. In the future, we will be looking—and we haven't completely determined what the best strategic locations are at ———.

Mr. HEFNER. According to justification material, the Navy does not anticipate that the prototype will even have an initial operating capability until the fourth quarter of fiscal year 1988. Why is the Navy requesting construction funds when the prototype will not reach its initial operating capability until just before fiscal year 1989?

Admiral JONES. The fiscal year 1987 project, for which we are seeking authorization and funding this year, provides a base camp, runway upgrade, warehouse conversions for shops and berthing, POL facilities, waterfront facilities so we can get POL into Amchitka, and upgrade of the water system.

In addition, it provides for a small transmitter and receiver facility, which is required to determine what the local electromagnetic conditions are, so you can develop the prototype. We need that in place so the prototype can be developed.

The follow-on project for fiscal year 1988 actually prepares the site for the prototype installation and that is timed to coincide with the delivery of the prototype facility.

Mr. ARNY. From a grand strategic point of view, the ROTHR has tremendous payoff. ———.

[CLERK'S NOTE.—The following questions were submitted by Mr. Hefner:]

RELOCATABLE OVER-THE-HORIZON RADAR

Question. Is the Navy the only Service currently planning to use the relocatable over-the-horizon system?

Answer. Yes, the Navy is the only service using ROTHR. It has been designed to satisfy Navy mission requirements and will be deployed as a resource of the appropriate Fleet Commander in Chief. [However, we are working closely with the Air Force to plan joint service use of all OTH radar data.]

Question. Provide for the record how the radar system will be programmed for each year.

Answer. Programming has been approved for full-scale development of the prototype ROTHR, ———.

Preliminary Design Review	———
Critical Design Review	———
Hardware Integration and Test	———
Initial Operational Test	———
TECHEVAL/OPEVAL	———
Deploy Prototype ROTHR	———
Production	———

Question. During peacetime, how will the relocatable vans with electronic equipment components and its operating personnel be located geographically?

Answer. ———. The ROTHR will be a resource of the appropriate Fleet Commander in Chief.

Question. How many aircraft of what type will be required to transport the vans and personnel for a single site?

Answer. When relocation/deploying the ROTHR system to a prepared site, the method of shipment will depend not only on the urgency for an operational asset, but also on the planning time and effort associated with that deployment. Normally, surface shipment, for economy, would be accomplished during site preparation period and delivery would coincide with site preparation completion. Should immediate air shipment to a prepared site be necessary, four C–5s or equivalent would be required.

Question. Prior to fiscal year 1987, primary RDT&E funds were provided for this program. What is the basis for deciding that this program has reached sufficient maturity to begin construction?

Answer. The ROTHR program is evaluated as relatively low risk from the standpoint of available technology successfully tested and drawn from the Air Force OTHB radar program and the Navy's Wide Aperture Research Facility (WARF) OTHR efforts which have been sponsored by the Office of Naval Research for many years. The development of the prototype system is proceeding on schedule, with completion of Operations Evaluation at the Test and Evaluation site in Virginia scheduled early in FY88. There are no technical issues currently unresolved. It is the prototype system, procured in RDT&E, which will be deployed to Amchitka in late FY88. This approach has been adopted because of the urgent operational requirement and confidence in the maturity of Over the Horizon Radar technology.

Question. The justification material indicates that given that a site has already been surveyed and prepared, the system can be operational 14 days after arriving. Why will it take so long to make a given site operational given the dynamics of a wartime situation?

Answer. System design features which permit relocatability should be viewed as providing the Navy with the flexibility to be responsive to changing threat patterns and capabilities rather than a here-today, there-tomorrow type of mobility. The role of the ROTHR in an overall tactical surveillance system will be to provide active surveillance and tracking of air and surface targets in areas of the world critical to the Navy's maritime strategy. The radar will be relocatable to allow its role to evolve with both the threat and with other surveillance system initiatives planned or under consideration. As this relatively longer term requirement evolves or changes, sites would be either reoriented or relocated as required.

[CLERK'S NOTE: This concludes Mr. Hefner's questions.]

Mr. HEFNER. Mr. Coleman.

Mr. COLEMAN. I don't have any questions yet, Mr. Chairman.

Mr. HEFNER. Mr. Lowery.

STRATEGIC HOMEPORTING

Mr. LOWERY. Thank you, Mr. Chairman.

In a sensitive area, the strategic rationale for the strategic homeporting policy. The threat survivability and the question of response time.

In the GAO study, it stated the Navy did not do a definitive analysis of how the benefits envisioned in applying the strategic principles would be achieved, and the degrees that the Navy will realize these benefits is unclear.

What assessments has the Navy made while reviewing the five strategic principles related to each home port?

Mr. ARNY. The assessments grew from studies in the late seventies, and the October 1982 study. Say you needed the entire West Coast fleet off of Alaska. It isn't very responsive if you send them all in one group, but what we found is, quite frequently, in a crisis the first guy there draws his line in the sand and establishes the first ground.

In the battle of Gettysburg, when General Buford was the first one there, and for the first time in the Civil War, the North was able to establish the high ground, and that was very similar to the current situation.

If you have a crisis in the northern Pacific, for instance, and if you have that battle group, you can launch them and get them there first. The problem you have now is you have nothing up there. If you have to launch somebody up there, you have to come out of either WESTPAC or San Francisco or even further south, and you lose two or three days. That may be critical.

[Supplemental information follows:]

The studies led us to consider and give credence to dispersal, geographic considerations, unit integrity, logistics, and industrial capability—the five principles addressed by Captain Daly. To look at one of these, the geographic considerations. The previous example was provided.

Mr. LOWERY. You are assuming everybody in the battle group up at Everett is able to sail?

Mr. ARNY. No, sir, I am not saying that, but you do have an opportunity with the battle group in the northwest. At the time the crisis hits that battle group may be deployed, so you gained nothing. But at least you have the potential which you don't have now, plus you have nobody there to cover those strategic submarine bases.

Mr. LOWERY. I would hope that we do a better job in our intelligence through national technical means and others, that we have a pretty good idea what the Soviets are up to, and if they have any type of threat capability, that we are monitoring from WESTPAC, are we not doing that today?

Mr. ARNY. We are doing that.

Mr. LOWERY. What is to be gained by having a home port that is a day, two at the most, closer, I mean, pulling ships out of port, as opposed to pulling battle groups that are fully deployed? It strikes me that rarely do we respond when sailors are on leave, when they are off on training missions, when ships are have minor repairs or major overhauls.

All of that is what happens at home port. It is when you have battle groups deployed in the Pacific at WESTPAC and the equivalent in the IO and in the Atlantic that are our prime and immediate forces to meet a threat potential, is it not?

Am I missing something?

Mr. ARNY. That is true from a readiness standpoint, but we are not completely defenseless in our strategic ports.

Mr. LOWERY. It takes months to get those ships ready?

Mr. ARNY. Not necessarily, especially when they are in a training phase, during a turnaround cycle you have four, five months of training, that if you need them, they are ready to go. The third fleet is also an operational fleet that is operating up and down the coast and around.

It gives us the flexibility that we don't have now.

Mr. LOWERY. I would be interested in knowing specifically if random, any port, we were required to put together something close to battle group strength, how long it would take.

Mr. ARNY. I think in a matter of hours, to be honest with you, because the only time a ship is not available and ready to go is when you have it in a dry dock ripped apart.

Once you get them out of port, they are ready to go. You pull your people off of liberty, and you are ready to go.

Mr. LOWERY. Where will the training areas be out of the northwest, and San Francisco? Staten Island?

Mr. ARNY. Training areas, exist in both the north and the south, and they will train off their own ports.

Mr. LOWERY. Training areas in the north are where?

Admiral JONES. The training areas are off Southern California and particularly in the Caribbean. All the ships go there once a year as they are preparing to deploy anyway, but there is a substantial amount of training that is done in the home port waters that does not occur in the Caribbean, so the opportunity for training in the northwest and in the northeast, in winter weather conditions, will be closer and more readily available.

You have an opportunity in those areas, not necessarily having to go down to the Caribbean, or the Southern California area, although they will be going down there before they deploy.

Mr. LOWERY. Admiral, did I hear you correctly, virtually all ships in the West Coast go off of Southern California, and those off of the East Coast to the Caribbean for training before deployment?

Admiral JONES. Basic training work-up before a deployment is conducted in the Southern California training areas or in the Caribbean. There are plenty of opportunities for training in the north, and in the northeast.

Mr. LOWERY. I know in time of national emergency, we forego that step. Under normal conditions, we are going to steam ships from Washington or from New York all the way south before they are deployed?

Admiral JONES. The basic training work-up, for instance, for the carrier battle group homeported in the northwest would be in the Puget Sound—excuse me, in the Pacific Northwest area.

Mr. ARNY. I was down there with Admiral Dunn, Commander, Naval Air Forces, Atlantic, three weeks ago on a safety issue, and at the time, we discussed the type training we had when he was my carrier skipper. Part of the problem, even if you are based in Norfolk, is this long haul down to the Caribbean. The Admiral is working on a scheme where the training people who are stationed at GITMO will be coming up to Norfolk and Mayport, for example, and they will give training to the battle groups off of their home ports.

He is now on the East Coast trying to change that training philosophy, and he is now having the fleets operate more out of their home ports in order to keep more people with their families and to do that type of training where the fleets are located.

We have a tremendous amount of ranges in the Southern California area, and if you are going to do live firing, you will come down there to do it but we spend a lot of time operating in and out of our home ports.

Mr. LOWERY. I would be interested in a more detailed type analysis. Getting back to the strategic rationale, I would be interested how the Navy has made such a major decision without some type of formal assessment of the strategic threats, the five strategic principles, and how they relate to each of the ports you will be operating out of.

Mr. **Arny**. We can do that, yes.

Mr. **Lowery**. To date, it hasn't been done. This thing kind of evolved since the seventies?

Mr. **Arny**. There have been a series of studies that led up to that. But saying that this is the way we should go, with mountains and reams of paper, a specific hard-core analysis available right now, I just don't know of one. Studies took place.

Mr. **Lowery**. I would like it for each of the ports, including existing ports.

Mr. **Coleman**. What is that?

Mr. **Lowery**. The GA references strategic principles.

Mr. **Coleman**. Would you yield? Everything I have read about the homeporting issue, including a statement by Secretary Lehman with respect to the fact that there is more fleet security, indicates that the Navy can respond more rapidly to threats through homeporting.

In terms of this overall issue, I would like to have additional meetings on that matter, because I think, as I understood it, back when homeporting got started as an issue, better fleet security, and response were the reasons for it. Is that the purpose of it?

Mr. **Arny**. Yes, sir.

Mr. **Coleman**. For security reasons.

Mr. **Arny**. That is one of the reasons.

Mr. **Coleman**. National security reasons. I thank you for yielding.

HOMEPORTING—THREAT AND SURVIVABILITY ANALYSIS

Mr. **Lowery**. I had a specific question as to what type of threat and conversely, the survivability analysis did the Navy do on each of the home ports?

The major home ports, in Norfolk and San Diego, Soviet ships are banned from those ports?

Mr. **Arny**. No, sir, they are banned, for instance, in Hampton Roads, and true, they are banned from San Diego but they come in and out of the Chesapeake Bay at will.

No Soviet or Warsaw Pact ship can enter a U.S. port without advanced notice, unless an emergency exist Soviet ships must provide 14 days' advance notice, and Warsaw Pact ships have to give four to seven days' advance notice, depending on which country it is. There are a series, and I can give you that, a series of ports in which they are banned totally, advance notice or no.

Major ports they must have advance notice to come in.

Mr. **Lowery**. Has a risk assessment been done, sabotage, on New York Island, Staten Island?

Mr. **Arny**. Yes, sir, but just because they are not allowed in our ports doesn't mean they can't mine both San Diego and Norfolk. They are permitted within the three-mile limit, and while they cannot come into port, they can mine the channels off of both ports with ease, especially the submarines.

Mr. **Lowery**. Have port security costs been factored into Navy decisions?

Admiral **Jones**. Yes, in our military construction, all of these projects considered, physical security is part of the basic design of the project.

Mr. **Lowery**. Mr. Chairman, I have additional questions, but I will submit them for the record.

Mr. **Hefner**. At this time, Chairman Addabbo, you may proceed.

Mr. **Addabbo**. I apologize for being late, Mr. Chairman.

If I might, may I ask some questions on home port?

Mr. **Hefner**. Absolutely. We are in closed session now, so you can go ahead and proceed. When we finish the closed session, we will have their statements on the entire military construction funding.

Go ahead and ask your questions.

Mr. **Addabbo**. Relative to homeporting, we have seen some reports out of GAO, and one of them indicated a threat from mining and sabotage could be greater to a new port than an existing port.

How does the Navy respond?

Mr. **Arny**. We don't believe the mining in a new port would be greater or less than in existing ports. It would be hard for the Soviets to mine Hampton Roads, because it is close to our ships. But they could easily mine the entrances to the Chesapeake Bay, as well as New York or Everett or San Diego.

We don't believe a threat to a new port is greater or less than an existing port. We have prepared our rebuttal to the GAO report, and we will gladly insert it in the record.

Mr. **Addabbo**. Has the Navy estimated the total cost to make each port a complete facility, not just the cost needed to establish initial operating capability.

Mr. **Arny**. That is the enhanced capability they refer to, but we believe, though, that the projects that are in our plan to reach the initial operating capability, do in fact provide a fully operating capable home port in each location, and can stand on its own.

The projects that come in behind that are similar to projects in all our other bases and locations, and they compete on a grand scale.

We have a backlog of military construction projects that each base commander would like to have, but we have not been able to fund, and those projects would be in that category.

Mr. **Addabbo**. When does the Navy plan to respond to the GAO report?

Mr. **Arny**. We have responded to DOD, which is the next step, so we are right on time in our formal response process, and we have some comments here.

PIER AND BULKHEAD AT STATEN ISLAND

Mr. **Addabbo**. Mr. Chairman, I would like to ask that when the Navy's answer to the GAO report is complete, that the committee be supplied with a copy of it, and a copy be supplied for the record.

Last year, the committee appropriated funds in the amount of $39.7 million for a pier and bulkhead at the Staten Island home port site. This committee chose to appropriate these funds even though the Administration failed to request the funds, and despite the fact that the authorization committees failed to authorize this project.

The committee was able to appropriate these funds because we understood that this funding was critical to the Navy's ability to meet its IOC date.

Now we understand that these funds have been held up based on a gentleman's agreement between Secretary Lehman and Senator Thurmond. What is the status of this agreement? When will the Navy proceed with award of this project?

Mr. **Arny**. We have approached the authorizing committees to seek their authorization on it. I have discussed it with the staff; and we have a letter going to them. They are in the process of reviewing our total package, and we have a letter going to Chairman Goldwater and Senator Nunn.

They asked us to hold off. We asked them if we could go out with the bid proposals to allow us to stay on track, including the pier.

We told them we will not open the bids until we get the authorization, which we need by the middle to the end of April.

After that, we begin to lose time on the IOCs.

Mr. **Addabbo**. What is the present status of the agreement, and when will the Navy proceed with the award of the project?

Mr. **Arny**. We don't need to award the projects until probably the end of April. If we have to delay much beyond that, we will start to lose day-to-day, slip in the IOCs. We will go out with our bid proposals and attempt to get a decision prior to when we have to open the bids.

We will stay in contact with the members on that.

Mr. **Addabbo**. Can the Navy legally proceed with obligating these funds without authorization?

Mr. **Arny**. That is an issue that depends on which lawyer you talk to, unfortunately. We are operating now under the continuing resolution amendment that said for programs that are appropriated but not authorized, we would not obligate until we have some form of authorization.

Mr. **Addabbo**. There are several other projects funded for Staten Island. Are you proceeding with obligating those funds?

Mr. **Arny**. No, sir, we are holding up on those—we are proceeding with the bid proposals, probably this week, but we are holding up again based on Chairman Goldwater's request, and Secretary Weinberger's response to that, which should be out there today.

Mr. **Addabbo**. I see.

Mr. **Arny**. We are putting the bids out. We don't need to obligate until we make awards, and that will probably be six weeks down the road. The end of May.

ENHANCED PROGRAM—NEW YORK AND EVERETT

Mr. **Addabbo**. Your report on strategic homeporting shows that the total programmed costs for the so-called basic program for New York and Everett are $188 million and $272 million, respectively.

Our understanding is that you are directed by the Secretary to stay within those programmed costs. Is that true?

Mr. **Arny**. Yes, sir.

Mr. **Addabbo**. You also have additional programs which you call enhanced program, which raises these totals to $305 million for New York, and $377 million for Everett.

How do you characterize these programs?

Admiral **Jones**. The enhanced program would ultimately bring you to an ideal situation, that would meet the full master plan and would satisfy all the requirements that you might ever want to build to support the ships and personnel at those home ports.

We never get to the ideal situation, sir.

The programs that are in the enhanced program for each of the new home ports will compete with all of the other Navy projects, and for instance, the large backlog of projects that we would like to have in San Diego or New York or wherever it might be, our enhanced program will be in competition with those projects as we try and improve the condition of all of our bases.

Mr. **Coleman**. Admiral, in relation to that question, when you talked about the competing factors, and that is the issue, and hopefully it will continue to be in the future, did you mention other military construction projects? The question is, you are not competing with an attack submarine?

We are staying within the function of military construction?

Admiral **Jones**. Navy projects competing within the Navy TOA for military construction on an annual basis.

Mr. **Coleman**. It is the job of the Secretary to oversee and make certain that what we are doing in research and development versus military construction, is in a proper balance?

Are you satisfied that it is?

Amiral **Jones**. Yes, sir, we have a balance within military construction and a balanced program within the Navy.

Mr. **Coleman**. Thank you.

Mr. **Addabbo**. The enhanced programs, are they essential or nice to have?

Admiral **Jones**. They are not essential to IOC. You can put the ships there without the enhanced facilities. In the basic program for Staten Island for fiscal year 1987, the dollars we are requesting from this committee today are for bachelor quarters, mess hall, warehouse, and maintenance facilities. We follow on in 1988 with more of those kinds of facilities, public works facilities, community service center in fiscal year 1988, and they are supplemented as well by non-appropriated projects to take care of the people.

In the Staten Island development the fiscal year 1987, 1988 and 1989 total includes $24 million worth of non-appropriated fund projects.

For instance, the branch exchange at Stapleton and combined clubs. So we are not missing the point of not taking care of our people. We have funds in there to take care of the people.

Mr. **Addabbo**. Once the agency's money is cleared, how soon will you move forward?

Admiral **Jones**. We will be going on the street with our invitation for bids very shortly.

We need to have the coordination between the Secretariat, Mr. Arny's office, and the authorizing committees. This is a complex waterfront construction. To maintain the IOC date, we need to award contracts by around the 1st of June.

If we go on the street in early March, we will have March and April for a bidding period by the contractors and May for our evaluation of the contractors from a standpoint of responsibility. We should have no trouble making the awards in early June, and that is sufficent to meet IOC.

We can start construction by the end of June, if we award the contracts in early June. We can't open the bids until we get the Congressional clearance resolved with the 90-day hold, as extended, as requested by Senator Goldwater and Senator Nunn.

Mr. **Arny**. That is what we are working on.

Mr. **Addabbo**. How much of an extension would they give?

Mr. **Arny**. They asked for an indefinite time. We have asked to proceed with the bidding process. If we can start the bidding process, I would like to do it as soon as possible.

We should not open the bids until we have an obligation. If we are talking about the end of May, and I would hope they wouldn't wait that long, the contractors are going to be reluctant to bid on things that don't have formal approval.

Admiral **Jones**. Final plans are ready we are ready to go on the street. There is no engineering problem holding us up.

Mr. **Addabbo**. Could you afford a record outline the projects, included in the 1987 request, and if any were approved by the committee in the 1986 bill, this is a separate increment.

How many more in order to meet the IOC?

Admiral **Jones**. One more, 1988, sir. There will be other work beyond that let me get my other sheet. There will be a basic increment; that is, the basic program required for IOC in fiscal year 1988.

Then there will be more projects in fiscal year 1989 and beyond that, it is all enhanced. 1988 is about $50 million in current planning figures, and 1989 and beyond about $13 million in current planning figures for the basic program.

Mr. **Addabbo**. Thank you, Mr. Chairman.

Mr. **Hefner**. Mr. Coleman.

A REPORT ON HOMEPORTING—ESTIMATED COST

Mr. **Coleman**. The GAO report on homporting, as I understand it, estimated costs of the projects, against strategic value. I wondered if maybe you would like to submit your response to the GAO for the record? That would be beneficial for the committee, and we may have further discussions.

[The Navy response to the GAO report follows:]

DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON D C 20350 1000

MAR 06 1986

MEMORANDUM FOR THE ASSISTANT SECRETARY OF DEFENSE (ACQUISITION AND LOGISTICS)

Subj: GENERAL ACCOUNTING OFFICE (GAO) DRAFT REPORT, "NAVY SHIPS: PLANS TO ESTABLISH NEW HOMEPORTS," DATED FEBRUARY 10, 1986 (GAO CODE 394079), OSD CASE 6942--PROPOSED RESPONSE TO GAO DRAFT REPORT - ACTION MEMORANDUM

Navy nonconcurs with the Draft GAO Report and has provided a specific response to each finding in the Enclosure. In summary, GAO has understated the military/strategic benefits of Strategic Homeporting; overestimated the capacity of existing naval ports; underestimated the cost of accommodating additional ships and personnel in existing naval ports; overstated the costs for establishing new homeports; and ignored the need to berth and support reserve ships.

More specifically, the Navy nonconcurs because the report is seriously flawed in its content and conclusions as follows:

- GAO is neither the competent authority nor appropriate agency to assess the strategic/military value of Strategic Homeporting and the level of threat posed by potential adversaries.

- GAO developed numerous conclusions based upon misstatements of fact and incomplete and/or inaccurate data.

- The GAO report contains substantive misquotes and selective paraphrasing and has taken out of context various comments made by both Fleet Commanders, verbally and in writing. Each Fleet Commander has since personally rebutted various comments attributed to them as noted in the Enclosure.

- The GAO report adopts an invalid costing baseline using A&E preliminary development plans not approved or validated by the Navy as the baseline to determine facility requirements for the new homeports.

- The GAO report uses an invalid premise to determine the comparative cost to accommodate additional ships in existing homeports since it only includes costs for additional piers without required supporting infrastructure; and in some cases utilizes piers that have not yet been programmed, funded or constructed.

Subj: GENERAL ACCOUNTING OFFICE (GAO) DRAFT REPORT, "NAVY SHIPS: PLANS TO ESTABLISH NEW HOMEPORTS," DATED FEBRUARY 10, 1986 (GAO CODE 394079), OSD CASE 6942--PROPOSED RESPONSE TO GAO DRAFT REPORT - ACTION MEMORANDUM

- GAO has ignored detailed facility and costing information provided by the Navy in its November 1985 Cost Alternatives Study submitted to Congress.

- GAO cited "knowledgeable Navy personnel" as assisting them in developing their rationale and proposals; and yet the GAO Project Officer would not provide the identity of these "knowledgeable" sources to enable the Navy to appropriately comment on their input. The Navy believes it is inappropriate to use the veil of "knowledgeable Navy personnel" to support conclusions without establishing their competence to contradict the Chief of Naval Operations and Secretary of the Navy in matters of naval strategy; and without permitting review of their rationale.

The Navy believes it has fully demonstrated the rationale and benefits of the Stategic Homeporting Concept; has adequately documented all known estimated construction costs required to establish each of the new bases; and, likewise, has identified realistic comparative notional costs associated with locating the Staten Island, Gulf Coast, and Everett Battleforces in existing homeports vice new. The Strategic Homeporting Concept, which has been developed in consonance with our Maritime Strategy, reflects the Navy's goals of the 1990's and is firmly supported by the collective judgment of the top Navy military professionals, both past and present.

L. WAYNE ARNY, III
PRINCIPAL DEPUTY
ASSISTANT SECRETARY OF THE NAVY
(SHIPBUILDING AND LOGISTICS)

Enclosure

6 March 1986
Rev II

FINDINGS AND MATTER FOR CONGRESSIONAL CONSIDERATION TO BE ADDRESSED IN THE DOD RESPONSE TO THE GAO REPORT

FINDING A: Navy's New Strategic Homeporting Plan: Rationale. The GAO reported that the Navy, in 1982, initiated the Strategic Homeporting Plan because of two major concerns--i.e., (1) the existing homeporting structure was not optimum from a strategic and military standpoint, and (2) the need to accommodate the additional ships coming into the fleet as it builds to a 600 ship Navy. The GAO further reported that the plan calls for adjusting the mix of ships in existing homeports and developing several new homeports; and is based on five strategic principles related to: (1) battlegroup integrity, (2) force dispersal, (3) industrial base utilization, (4) logistics suitability, and (5) geographical considerations. The GAO observed that the new homeporting plan to increase the number of homeports is different from the position taken by the Navy in 1973, when it consolidated homeports for reasons of economy. At that time, the Navy stated that with the number of active ships being reduced from 917 in 1964 to 523 in 1973, it had twice as many homeports as needed for dispersal and operationa requirements, and these requirements could be met with two homeports on each coast for each class of ship. The GAO found that subsequently, however, the Navy expressed dissatisfaction with the consolidated homeporting structure and in its 1982 Strategic Homeporting Plan, cited the following shortcomings:

-- Excessive fleet concentrations in Norfolk and San Diego;

-- Carriers homeported without surface combatant escort ships:

-- Underutilized private industrial capacity in the northwest and northeast;

-- Insufficient dispersal of forces; and

-- Insufficient emphasis on battlegroup integrity.

The GAO reported it is the Navy's position that increasing the number of homeports will bring about improvements in the areas of concern.
(pp. i-ii, pp. 1-4, GAO Draft Report)

DOD RESPONSE: Partially Concur. Although GAO accurately relates Navy's rationale for its Strategic Homeporting Concept, its comment that the Navy's plan to increase the number of homeports is different from the position taken by the Navy in 1973 when it consolidated homeports, implies that current and past Navy positions are inconsistent. On the contrary, the Navy's testimony to Congress in 1973 evidences no such inconsistency. Senior Navy officials testified that due to drastic reductions in the size of the fleet (976 to 479 ships) the related shore establishment (65 homeports) had to be brought in line. In fact, the Navy now has only 34 homeports but is growing back up to 609 ships.

Navy officials further testified ... "The base realignment package is to bring into closer balance the shore establishment and level of operating forces. This balance, however, is one of judgment and must be kept under constant review... The proposed consolidation represents the minimum dispersal requirement for the reduced fleet." In response to a question whether the consolidation "enhanced the security of the country ... or have we injured it?" Admiral ZUMWALT stated ... "Yes Sir, we have injured it." [Underscoring added]

Enclosure (1)

More recently in response to a letter from Senator Thurmond requesting his professional opinion on the military merits of the Navy's Strategic Homeporting Concept, Admiral ZUMWALT stated ... "As CNO from 1970-1974 during a period when the anti-war, anti-military mood of the United States public was leading to drastic reductions in defense, it was my sad duty to preside over the elimination of a number of bases around the country ... As I testified during those years the loss of these bases was harmful to Navy readiness ... I strongly support the decision of present Navy management to disperse the now growing fleet to more ports. There is no question but what spreading our fleet over a larger number of homeports will reduce ship vulnerability, enhance battlegroup integrity, avoid overcrowding, exploit and enhance our industrial base, improve active and reserve recruiting and in some cases, move our ships closer to operating areas ... As the Soviet Navy continues to increase the number of submarines it maintains within short striking distance of our ports, the need for additional dispersion of our ships has increased ... In my judgment, the hundreds of millions of dollars that must be appropriated ... are fully warranted by the military benefits to be derived."

FINDING B: Strategic Homeporting Plan: Force Dispersal. According to the GAO, the Navy claimed that the dispersal of ships to more ports and to less concentrated ports will improve its defensive posture, complicate conventional warfare targeting by a potential enemy, and minimize the risks associated with a relatively simple, but properly placed attack. The GAO found, however, that the Navy decision to disperse the fleet was not based on a formal threat/survivability analysis specifically addressing force dispersal. The GAO concluded that without this analysis, it is difficult to determine whether the threat is sufficient to warrant the cost of dispersal of the fleet. In this regard, the GAO reported that, according to Navy officials, the conventional threat to U.S. ports is relatively low. The GAO also observed that, while many existing homeports are closed to Soviet ships, most of the new ports are open to Soviet commercial ships. The GAO concluded, therefore, that the new homeports could be exposed to possible mining and sabotage, and this would drive up port security costs. In addition, the GAO reported that the Atlantic Fleet Commander-in-Chief stated strategic flexibility would be decreased by homeporting a carrier battlegroup in the planned Gulf Coast port, instead of at an East Coast port, given that control of the North Atlantic is the Atlantic Command's most challenging task. The GAO also reported that, in addition, the Atlantic Fleet Commander stated a carrier battlegroup could deploy to the Caribbean from Mayport, Florida, on the East Coast and be on station to defend the southern sea lanes of communications in approximately the same response time as ships could be deployed from Pensacola, Florida, on the Gulf Coast. Because the Navy did not do a definitive analysis as to how the strategic principle of force dispersal would be achieved, the GAO concluded that the degree to which the Navy will realize this benefit is not clear.
(pp. 8-11, p. 21, GAO Draft Report)

DOD RESPONSE: Non Concur. Apparently GAO desires an OPS ANALYSIS type empirical quantification of the Strategic Homeporting Concept. While modeling techniques exist for various wargaming strategies, the Navy determined they would be neither valid nor conclusive to quantify the benefits of the Strategic Homeporting Concept since such analysis is extremely scenario dependent. The Strategic Homeporting Concept and its 5 principles evolved from almost a decade of continuous operational assessment of the capabilities and threats posed by the Soviets and other potential adversaries by various intelligence organizations, Fleet CINCs, and Chief of Naval Operations strategic planners coupled with extensive analysis and input from logistics and facilities planners to develop a Master Basing Plan for the 600 ship Navy. This plan, which was developed in consonance with the Navy's Maritime Strategy, was formalized in an October 1982 classified document, titled, The Strategic Homeporting Plan. Subsequent refinement of that plan through input from various levels of the Navy has resulted in the Stategic Homeporting Concept.

The benefits of strategic homeporting, while not quantified empirically, are clear to the collective judgment of the top military professionals of the Navy, both past and present. During interviews with GAO, both Fleet Commanders, verbally and in writing, provided a classified assessment of the various threats, enumerated the benefits of strategic homeporting and specifically stated they support the concept. Moreover, during testimony to Congress both the Secretary of the Navy (SECNAV) and Chief of Naval Operations (CNO) unequivocally enumerated the benefits and need for strategic homeporting. They concluded that the Strategic Homeporting Concept is sound and enduring reflecting a prudent approach and response to potentially dangerous military contingencies.

DOD disagrees with GAO's statement that the conventional threat to U.S. ports is relatively low. Recent Soviet submarine operations in the Eastern Pacific and near the Straits of Juan De Fuca highlight this threat. Also, the Soviet (and surrogates) mining and long range aviation capabilities are significant. The Soviets have, in the last two decades, doubled their number of major combatant ships and increased ten-fold their out-of-area deployments. In the next ten years, DOD estimates the Soviets will increase the capability and accuracy of their weapons platforms which will double their technological warfighting abilities. Therefore, given the balance of forces at sea today, it would be grossly imprudent not to exploit our nation's strategic geography as well as its technological strengths.

Regarding GAO's comment concerning the potentially increased vulnerability of the planned new bases, the Navy evaluated various potential sites for new homeports utilizing an interdisciplinary team comprised of Fleet operational personnel, logistics experts, and physical security planners. Each site was analyzed and evaluated using various criteria which included physical security /vulnerability. Also, a separate physical security assessment was conducted as part of the planning process for each new base. Military Construction (MILCON) facility projects include the most current physical security standards tailored specifically to provide optimum security at each site. These costs are included in Navy estimates.

Also, in a separate study effort, the Naval Investigative Service Command conducted an assessment of the terrorist threat at the proposed new homeports as compared to existing homeports. The classified assessment, dated January 16, 1986, concluded that the terrorism threat to the proposed new homeports was no greater than to any other exiting Navy port facility in CONUS.

DOD disagrees with GAO's conclusion that the new homeports would be more vulnerable than existing Navy ports since they are "open" and could be exposed to possible mining and sabotage. There are only 11 ports currently "closed" to Soviet Block ships. All others are "open" but on a case by case basis requiring advance notification for access to the port (14 days for Soviet ships and 4 to 7 days for other Communist Block Nations). Long Beach, San Francisco, and Mayport, in which GAO proposes to locate additional battleforces, are all "open" ports. Therefore, the vulnerability aspect of GAO's proposal is no different than Navy's plan.

Regarding the Atlantic Fleet Commander's (CINCLANTFLT) 1983 comment that strategic flexibility would be decreased by homeporting a carrier battlegroup in the Gulf Coast instead of at an east coast port, the CNO, after reviewing CINCLANTFLT's position, determined that from his worldwide perspective strategic flexibility would be enhanced with homeporting in the Gulf. Admiral McDonald (former CINCLANTFLT) acknowledges that since his 1983 appraisal, the world situation has changed. Caribbean and Central America threats to our supply lines across the Gulf demand attention. Admiral McDonald recently said that in this environment he would delay a Carrier Battlegroup (CVBG) for at least 30 days from deploying north to ensure supply lines in the Gulf were not in jeopardy. Furthermore, response time to potential contingency areas is more than just a function of transit times. Consideration also must be given to what battlegroups might be in other homeports, weather conditions that might hamper the availability of certain battle forces, as well as the availability of escorts. Homeporting in the Gulf Coast provides enormous flexibility to U.S. military options and significantly increases the potential for reduced response times in some scenarios.

FINDING C: Strategic Homeporting Plan: Battlegroup Integrity. According to GAO, the Navy claimed that homeporting ships in battlegroup configurations would greatly enhance warfighting coordination by collocating the same or similar units that would operate together during routine exercises and contingency deployments. Also, the GAO reported the Navy further claimed that the opportunity for training, living and working as a complete battlegroup would contribute significantly to improved readiness and to a better offensive/defensive posture. The GAO found, however, that many existing homeports, such as Norfolk and San Diego, already provide some battlegroup integrity for their ships. On the other hand, GAO found that ships for the planned Gulf Coast carrier battlegroup would be dispersed among three cities, and some of the escort ships for the planned San Francisco battleships surface action group would be homeported at Long Beach and Pearl Harbor. The GAO further concluded that even if new homeports are established, contrary to the Navy claim, most training will continue to take place in existing locations, such as the Southern California and Caribbean areas. In addition, the GAO concluded that because personnel will be rotated regularly, crews will not be able to train and work together as a unit any more than they can now. The GAO also reported that Navy officials stated that differing maintenance requirements and schedules may dictate that some ships be replaced by other ships during deployment. The GAO, therefore, concluded that retaining battlegroup integrity for more than one deployment cycle is difficult, whether under the existing homeport structure or under the expanded homeport structure. Because the Navy did not do a definitive analysis as to how the strategic principle of battlegroup integrity would be achieved, the GAO further concluded that the degree to which the Navy will realize this benefit is not clear.
(pp. 11-13, p. 21, GAO Draft Report)

DOD RESPONSE: Non Concur. DOD does not concur that the Navy's Strategic Homeporting Concept was developed without benefit of definitive analysis. The Strategic Homeporting Concept and its 5 principles evolved from almost a decade of continuous operational assessment of the capabilities and threats posed by the Soviets and other potential adversaries by various intelligence organizations, Fleet CINCs, and Chief of Naval Operations strategic planners coupled with extensive analysis and input from logistics and facilities planners to develop a Master Basing Plan for the 600 ship Navy. This plan, which was developed in consonance with the Navy's Maritime Strategy, was formalized in an October 1982 classified document, titled, The Strategic Homeporting Plan. Subsequent refinement of that plan through input from various levels of the Navy has resulted in the Strategic Homeporting Concept.

While battlegroup integrity does exist in ports such as Norfolk and San Diego, it does not exist in other ports where the Navy has capital ships homeported; e.g., Mayport, Long Beach, and San Francisco. Battlegroups presently formed with ships coming from diverse homeports only train together just prior to deployment. Since the battlegroup isn't formed until then, the ships do not work together routinely, at sea or in homeport. The Strategic Homeporting Concept ship mix adjustments in existing homeports will rectify this. But the Navy has an additional need to disperse more of its capital ships while maintaining battlegroup integrity. Planned homeporting of Carrier Battlegroups (CVBGs) and Battleship Surface Action Groups (BB SAGs) at Everett, New York, and in the Gulf Coast provides this necessary dispersal and enhances battlegroup integrity by collocating appropriate escorts.

DOD disagrees with GAO's comment that "battlegroup integrity will not be realized since ships will not be homeported in battlegroup configuration at the new homeports," citing the Gulf Coast CVBG and San Francisco BB SAG. The Gulf Coast CVBG will be homeported in Pensacola, Mobile, and Pascagoula which are only 30-45 miles apart and are considered to be one homeport region for training and ship repair efforts. The San Francisco BB SAG is an expanded SAG (10 ships) and although some assigned escorts will not be homeported together, the Strategic Homeporting Concept (SHC) principles remain valid. Once designated, the San Francisco BB SAG will train, workup, and deploy together maximizing interoperability and warfighting coordination.

GAO indicates (P. 13) ... "the Pacific Fleet Commander stated that a carrier or battleship might not deploy with the same escorts twice in succession." GAO implies this will nullify the stated benefits of battlegroup integrity. The Fleet Commander while so stating, also indicated that "PACFLT battlegroups would remain intact as much as possible." He further stated that strategic homeporting significantly enhances the probability of deploying together in succession over the current situation. Navy efforts to achieve long term battlegroup integrity should be viewed as a natural outgrowth of years of experience in working up and deploying battlegroups and a desire to improved overall readiness.

DOD disagrees with GAO's conclusion that the SHC will not provide more diverse training opportunities. Although ships will continue to use the Southern California (SOCAL), Puerto Rico (PR), and Virginia Capes (VACAPES) operating areas, they will conduct significant amounts of training and exercises in their homeport regions. With collocation of battleforce ships under the Strategic Homeporting Concept, the opportunity for joint training and operations will be enhanced significantly over the current arrangement. See response to Finding E for specifics.

DOD also disagrees with GAO's comment that "because personnel will be rotated regularly, crews will not be able to train and work together as a unit any more than they do now." Normal shipboard tour lengths (three to four years) greatly exceed the 18 month deployment cycles. Therefore, on the average, individual sailors will experience two to three cycles onboard and operating routinely in the same battlegroup. Experience with the U.S.S. Midway Battlegroup has shown that consistency of tactics, mutual training familiarity, unit (battlegroup) identity, and esprit de corps have resulted from mutual homeporting and joint operations at sea over the long term. These factors have contributed directly to improved operational readiness.

DOD disagrees with GAO's comment that "battlegroup integrity also will be adversely affected by the differing maintenance cycles of ships within a battlegroup." As with personnel tour lengths, maintenance periods (1 year overhauls) occur at fairly long intervals spanning more than one deployment cycle. The shorter maintenance periods will not significantly affect battlegroup integrity since they generally occur at the same point in the deployment cycle for all ships. Both Fleet Commanders also stated to GAO that there is some flexibility in ship maintenance schedules to accommodate battlegroup integrity.

FINDING D: Strategic Homeporting Plan: Industrial Base Utilization. According to the GAO, the Navy claimed that homeporting ships at or near locations with existing industrial base capability will permit the Navy to take advantage of capacity during peacetime and to have the necessary surge capability in place if needed during mobilization. The GAO found, however, that while the strategic homeporting plan will benefit shipyards in the vicinity of the new homeports, the plan may not significantly impact overall industrial base capability because a considerable amount of unused ship repair capacity is available in the private sector. The GAO observed that a Navy report indicated that 58 private shipyards already are doing work for the Navy, and some of these shipyards are near the new homeports. The GAO also observed that in recent years, the Navy has been increasing the number of short, labor-intensive maintenance actions that are required to sustain the condition of ships between overhauls and, therefore, concluded that, in accordance with Navy policy (changed in May, 1985), private shipyards in the homeport areas will continue to receive most of the work. The GAO further concluded that, as a result, while shipyards in the area of the new homeports could receive more of the repair work, it would be at the expense of an increase in the work for shipyards around existing homeports. Because the Navy did not do a definitive analysis as to how strategic principle of industrial base utilization would be achieved, the GAO finally concluded that the degree to which the Navy will realize this benefit is not clear. (pp. 14-16, p. 21, GAO Draft Report)

DOD RESPONSE: Partially concur. DOD does not concur that the Navy's Strategic Homeporting Concept was developed without benefit of definitive analysis. The Strategic Homeporting Concept evolved from almost a decade of continuous operational assessment of the capabilities and threats posed by the Soviets and other potential adversaries by various intelligence organizations, Fleet CINCs, and Chief of Naval Operations strategic planners coupled with extensive analysis and input from logistics and facilities planners to develop a Master Basing Plan for the 600 ship Navy. This plan, which was developed in consonance with the Navy's Maritime Strategy, was formalized in an October 1982 classified document, titled, The Strategic Homeporting Plan. Subsequent refinement of that plan through input from various levels of the Navy has resulted in the Strategic Homeporting Concept.

DOD does agree that unused ship repair capacity currently exists, but within the last three years, 19 private yards have closed. This trend is likely to continue. And since such industrial activity migrates to locations where active homeports exist, fewer homeports mean that the number of economically viable private repair facilities will also tend to decrease. The Navy's dispersal plan will nurture the economic vitality of the U. S. Maritime industrial support base in more locations thereby enhancing its ability to expand rapidly in contingency situations. With the Navy fleet growing by 130 additional ships, ship homeporting in all existing homeports will remain at current levels or increase. Therefore, DOD does not concur that shipyards near existing homeports will have less work, but rather that the increased workload will be more evenly dispersed geographically. This should also contribute to the cost competitiveness of future Navy ship repair and new construction contracts.

FINDING E: Strategic Homeporting Plan: Geographical Considerations. According to GAO, the Navy claimed that homeporting in more diverse geographical locations on both coasts would permit the Navy to train and operate in a variety of environments and would reduce the response time to potential conflict areas. The GAO found, however, that most fleet training is conducted in the Southern California and Caribbean areas where the Navy already has test facilities and resources, and that the Navy did not indicate any plans to build additional test ranges in the vicinity of the new homeports. With regard to response time, GAO found that the locations of some of the new homeports would, in fact, reduce the steaming time of ships to potential conflict areas. The GAO also found, however, that (1) the Staten Island battleship group and the Everett carrier group would have to rendevous with ships from other homeports before proceeding to a major conflict area, and (2) the Gulf Coast carrier and battleship groups' steaming time to Central and South America will not be appreciably less than the steaming time from existing homeports. The GAO further found that the steaming time to the North Atlantic will be greater, which is important, because the Gulf Coast carrier group may be needed in the North Atlantic to ensure Soviet containment, defense of the shipping lanes, and reinforcement of Europe. The GAO concluded that, while the strategic homeporting plan might provide more diverse training opportunities and some reduced response times, the impact will not be significant. Because the Navy did not do a definitive analysis as to how the strategic principle of geographical considerations would be achieved, the GAO further concluded that the degree to which the Navy will realize this benefit is not clear. (pp. 16-19, GAO Draft Report)

DOD RESPONSE: Non concur. DOD does not concur that the Navy's Strategic Homeporting Concept was developed without benefit of definitive analysis. The Strategic Homeporting Concept evolved from almost a decade of continuous operational assessment of the capabilities and threats posed by the Soviets and other potential adversaries by various intelligence organizations, Fleet CINCs, and Chief of Naval Operations strategic planners coupled with extensive ananlysis and input from logistics and facilities planners to develop a Master Basing Plan for the 600 ship Navy. This plan, which was developed in consonance with the Navy's Maritime Strategy, was formalized in an October 1982 classified document, titled, The Strategic Homeporting Plan. Subsequent refinement of that plan through input from various levels of the Navy has resulted in the Strategic Homeporting Concept.

DOD disagrees with GAO's conclusion that "while strategic homeporting will provide more diverse training opportunities and some reduced response times ... the impact likely will not be significant." Although ships will continue to use the SOCAL, PR, and VACAPES operating areas, they will also conduct significant amounts of training and exercises in their homeport regions in the Northeast and Northwest which contain expansive restricted zones for ASW, ASUW, and AAW training including live ordnance usage. The Commander in Chief, Pacific Fleet (CINCPACFLT), in response to GAO questions, stated ... "When not deployed to the SEVENTHFLT, the Everett CVBG would provide increased naval presence in the NORPAC/Gulf of Alaska region ... Basic training for NIMITZ and Puget Sound homeported escorts, and some NIMITZ airwing workup, will be conducted in the Pacific Northwest. In addition, small scale exercises such as COMPTUEX, TORPEXES on the NANOOSE Range, and participation in MARCOT exercises with the Canadians will routinely be conducted in the Pacific Northwest. The Everett CVBG will also provide mutual training for battlegroup ships and Trident SSBNs homeported in Bangor." Experience with the USS MIDWAY Battlegroup has shown that consistency of tactics, mutual training familiarity, unit (Battlegroup) identity, and esprit de corps have resulted from mutual homeporting and joint operations at sea over the long term. These factors have contributed directly to improved operational readiness.

With regard to response times, the potential for reduced transit times to possible contingency areas with strategic homeporting is significant due to dispersal to new homeports in the Northeast, Northwest, and Gulf Coast. Beyond the contingency of a major war, are other so-called "lesser contingencies" in which Naval Forces are dispatched by the National Command Authority. In all such cases, rapidity of response with ready battleforces is the critical ingredient of success. In relative terms, several days less transit time plus eliminating the delay associated with waiting to rendezvous with non-collocated escorts, can be crucial to the outcome of the effort. But response time to potential contingency areas is more than just a function of transit times. Consideration also must be given to what battlegroups might be in other homeports (e.g., the closest available east coast battlegroup to a Caribbean contingency may be in Norfolk at the time if none are homeported on the Gulf Coast), weather conditions that might hamper the timely availability of battleforces located outside of the contingency area, as well as the availability of escorts. Homeporting on the Gulf Coast provides enormous flexibility to our military options and increases the potential for reduced response times to these regions. Even if a contingency arose in the North Atlantic, CINCLANTFLT stated he would retain a CVBG in the Gulf for at least 30 days to ensure supply lines in the Gulf were not in jeopardy.

GAO indicated (p. 18) that the Atlantic and Pacific Fleet Commanders stated that BB SAGs would never be deployed independently [without a CVBG] into a potential major conflict area. Therefore, GAO concludes there would be no reduction in response times to contingency areas because the Staten Island and Everett battleforces would have to wait to rendezvous with ships from other ports.

- This is a misstatement of fact. CINCPACFLT stated in writing to GAO that ... "BB SAGs will usually operate independently ... For brief periods of time, they may supplement or complement a CVBG or CVBF". What the Fleet Commander did say was that ... "A BB SAG would never be deployed independently in a high air threat contingency environment without appropriate air cover, land or sea based." A review of the New Jersey BB SAG deployment schedule since it was recommissioned in 1983 reveals that it has always deployed independently.

- CINCLANTFLT stated in writing to GAO that ... "BB SAGs will operate independently in peace time and may be used in conjunction with CVBGs in wartime. Estimate 85% independent operation/15% CVBG support OPS. Land based air cover will determine independent operations areas." A review of the IOWA BB SAG schedule since it was recommissioned in 1984 reveals that it has participated in 9 major evolutions and operated independently [without a CVBG] in 8 of the 9.

- Admiral Watkins' Feb 86 report before the HASC on the Navy's Posture and FY 1987 Budget stated on page 36 ... "Battleship groups will be employed either independently or integrated with carrier battleforces, dependent upon the level of potential enemy threat, availability of land based air support, and other factors."

In summary, contrary to GAO's statement, Staten Island and Everett battleforces would not have to wait to rendezvous with ships from other ports.

FINDINGS F: Strategic Homeporting Plan: Logistics Suitability. According to the GAO, the Navy claimed that key logistic considerations such as waterfront capacity and accessibility, maintenance availability, and personnel support capability, were major factors in determining the potential of specific locations as homeports. The GAO observed, however, that while logistics was claimed as a factor in selecting the new homeports, Navy officials stated that they are still trying to determine how to best provide logistical support. According to the GAO, the Atlantic Fleet Commander, for example, is currently determining the ammunition, refueling, and maintenance support to be provided the new homeports on the Gulf Coast. The GAO also reported that the Navy claimed that it wanted to maximize the use of the existing base infrastructure. GAO found, however, that the logistics suitability of existing homeports was not studied during the selection process for the new homeports. Based on its review of the Strategic Homeporting Plan, the GAO concluded that the infrastructure of the existing homeports will be used at a level considerably less than the maximum. Because the Navy did not do a definitive analysis as to how the strategic principle or logistics suitability would be achieved, the GAO further concluded that the degree to which the Navy will realize this benefit is not clear. (pp. 19-20, and p. 21, GAO Draft Report)

DOD RESPONSE: Non Concur. DOD disagrees that logistic suitability of existing homeports was not considered during the selection process or that the infrastructure of the existing homeports will be used at a level considerably less than maximum. Navy logistics and facilities planners utilized various master basing plans and facilities assessment studies conducted over the last decade as well as data from base master plans, regional and systems studies, Base Commander Annual Assessment replys, Annual Inspection Summaries which identify the backlog of essential base maintenance and repair, and Base Facility Requirements documents to assess the logistic suitability and capacity of existing homeports. As discussed in response to FINDINGS K through P, and from data included in the Navy's November 1985 Cost Alternatives Study for establishing homeports, it has been well documented that significant facility and infrastructure deficiencies exist at all existing homeports. For example, as of January 1986, MILCON deficiencies identified at Newport total $170M, Norfolk $314M, Charleston $107M, Mayport $80M, Long Beach $129M, San Diego $546M, and Pearl Harbor $443M. Thus, DOD does not concur that excess capacity exists in existing naval homeports.

FINDING G: Staten Island Battleship Group's Cost Estimates. The GAO reported that the total cost of the projects included in the Navy's August 1985 draft master plan for the Staten Island Battleship Group was initially estimated to be $397 million. The GAO found, however, that in November 1985, the Navy reduced the construction cost estimate to $188 million. According to the GAO, the Navy claimed that projects making up this amount would achieve an initial operating capability. In comparing the two estimates, the GAO found that the $209 million difference includes many projects that will be needed either immediately or eventually to accommodate a battlegroup at Staten Island. The excluded projects include housing, welfare and recreation, and miscellaneous building and facility construction. The GAO also reported that, in addition, the Navy excluded a $12 million project for dredging in the expectation that local governments would fund this effort. The GAO noted, however, that this matter has not been resolved. The GAO further reported that some costs were not included in either the master plan estimate or the initial operating capability estimate. According to GAO, the largest excluded construction cost relates to family housing. If the costs of the other housing units are representative, the total additional cost could be $120 million (for 1200 units). The GAO also pointed out that, in addition, operation and maintenance, and procurement appropriations will be required to outfit and run the homeport. According to GAO, the Navy estimates that annual operation and maintenance costs will be 16.5 million, and the outfitting will cost $14 million. The GAO concluded that Navy estimates for the Staten Island Battleship group relate only to construction costs and are, therefore, understated because the costs associated with outfitting and operating the new homeport are not included. (pp. 23-28, GAO Draft Report)

DOD RESPONSE: Non Concur. Before responding specifically to the Staten Island BB SAG and subsequent Cost Estimate FINDINGS, the following general issues need to be addressed to properly discern between Navy and GAO cost estimates.

The GAO Report does not acknowledge information provided in the Navy's November 1985 Military Necessity/Cost Effectiveness Study. The Navy Study provided to Congress is very detailed and identifies all construction costs (Military Construction, Family Housing, and Nonappropriated Fund) required to provide a full operating capability for all ships and personnel to be assigned to the new homeports. Likewise, it provides detailed cost estimates for homeporting these ships in various alternative existing Navy ports.

In comparison, GAO estimates for berthing additional ships in existing homeports only include costs for new piers. No costs are included for required additional channel/ turning basin/pierside dredging, pier and shoreside utilities, SIMA/waterfront OPS facilities, supply/public works facilities, admin/training/ security buildings, community/personnel support, BEQ/BOQ, or family housing. In fact, there are significant facility and infrastructure deficiencies in almost all of these categories at every existing homeport based upon current ship loadings.

GAO also states (p. 6) that ..."reserve ships are not considered part of the 600 ship Navy" and therefore did not include any costs to berth reserve ships. Deployable reserve ships are part of the 600 ship Navy. In fact a "reserve ship" is manned with 60% active duty personnel and 40% selected reservists. Navy cost estimates for Staten Island, Everett, West Coast, and Gulf Coast homeports include all facilities necessary to support the collocated reserve ships. GAO alternative cost estimates do not.

GAO states (p. iv) ... "Navy estimates for all of the new homeports total $799M to establish an Initial Operating Capability ... estimates developed by deleting projects needed to achieve full operating capability at some locations." The Navy Military Necessity/Cost Alternatives Study submitted to Congress identifies $845.9M construction funding (including family housing and NAF projects) for full operating capability for all assigned ships and personnel at the new homeports. Once constructed each base will be fully operational. There will be, however, as with all other existing military installations, desirable projects for which funding may be requested in the outyears. These projects, identified in the Navy's Cost Study as "enhanced program," are desirable but not essential and will have to compete within the total Navy backlog of projects at other Navy installations.

While the GAO statement that Navy homeporting estimates relate to construction costs and do not include estimates of the costs associated with outfitting and operating the new bases is correct, it is incomplete. The Navy's Cost Alternatives Study only identified construction costs since it was provided to Congress in response to SASC (MILCON SubCommittee) report language. However, the Navy, at GAO's request, also provided estimates of O&MN (Base Operating Support) and OPN funding requirements for Staten Island and Everett.

GAO states (p. 24) that A&E firms use the Navy's "Facility Planning Criteria for Navy and Marine Corps Shore Installations" (NAVFAC P-80) as a basis for requirements." The NAVFAC P-80 states, in its forward, that the "planning criteria are established as a guide and normally will be considered as a maximum for facilities listed." These requirements are a starting point for project definition and continue to be scrutinized as planning proceeds. Original A&E estimates reflect total costs to fully develop master plans without regard to existing military and civilian assets near the new homeports or prudent operational and economic review of alternatives. The Navy has since determined which projects are necessary to adequately accommodate all planned ship assignments.

THE FOLLOWING PROVIDES SPECIFIC RESPONSES TO THE STATEN ISLAND COST ESTIMATE FINDING:

Cost differences cited by GAO are based on preliminary unvalidated requirements, which appeared in early A&E estimates, but no longer are part of the planned programs for Staten Island. Costs developed by an A&E under contract to the Navy do not represent an approved Navy construction program or funding level. Rather, they represent a very preliminary stage in the planning process. For example, the GAO Report (p. 25) lists A&E projects totalling $397M for Staten Island. This list includes every project ever considered for New York, including many which have been deleted from consideration. These include Pier II, $32M; Dayton Manor Housing, $12.1M; SIMA (Phase II), $10M; Commissary, $2M (will utilize existing commissary at Fort Hamilton); Officers' Club Phase II, $.94M (will use existing club at Fort Hamilton); Confinement Facility, $6.6M (Several detention cells only required and are included with security complex); CBU, $2M; and Small Craft Basin, $8M. Also, GAO includes all the projects Navy considers "desirable" but not "essential" which are not programmed.

GAO uses an inconsistent basis for comparing their projects/cost estimates with the Navy's. For instance, the GAO report claims two piers are required by the Navy at Staten Island to avoid double nesting (page 27). Double nesting of certain ship hull types has always been acceptable, and is used in all pier planning. The Navy initially considered a two pier option. However, a longer single pier plus a quaywall was found to be more economical and will provide adequate berthing for all assigned ships. In contrast, the GAO report is based on triple nesting schemes for Mayport and Long Beach. Triple nesting is not acceptable operationally or when planning for homeport berthing. It constrains the movement and maintenance of individual ships, exacerbates pier utility capacity problems, increases harbor ops costs drastically, impinges on inboard ships getting underway, and may not even be possible due to differing hull configurations or pier spacings. It is used only as a temporary solution.

The GAO report does not acknowledge information provided in the Navy's Cost Alternatives Study. For example, The GAO report states (Page 26) ..."we believe the Staten Island cost estimate should reflect [the housing] requirement..." The Navy's Cost Alternatives Study does include $38.4M for 420 units of housing at Staten Island. Programming of additional MILCON family housing construction is dependent upon future experience with the availablity of private sector housing in the region. Also, the Cost Alternatives Study identifies all MILCON, Family Housing, and Nonappropriated (NAF) projects essential to achieve full operating capability for all assigned ships and personnel at the new homeport. Projects noted in the "enhanced program" are desirable but not required for full IOC and will have to compete Navy-wide in the normal programming/budgeting cycle. For example: at New York "enhanced" but not "essential" projects include an indoor swimming pool/bath house, liquor package store, and Phase II projects to consolidate (at Stapleton/Fort Wadsworth) administrative, supply, and public works facilities which currently exist at NAVSTA New York (Brooklyn).

GAO statements (p. 23) that ... "The office of the CNO, in Feb 1985, ... estimated the site [Staten Island] would cost $291M...and in Nov 1985 reduced the cost to $188M" implies that the Navy arbitrarily reduced its cost estimate. This is not correct. The cost provided to GAO by the Navy in Feb 1985 was stated as "preliminary" only. It included MILCON, Family Housing, and NAF costs for both the "basic" and "enhanced" program levels. Navy cost estimates are continually refined as more detailed engineering is accomplished. As early as May 1985, in a letter to Senator Thurmond, SECNAV indicated that the estimated basic cost for Staten Island was $188M, not including family housing and Nonapproriated funds.

GAO states that the matter of local contribution for funding has not been resolved. This is incorrect. A Memorandum of Agreement was signed February 27, 1985 between the Navy and the Port Authority of New York and New Jersey confirming their $15M contribution for dredging and partial cost offset for the pier.

FINDING H: Everett Carrier Group's Cost Estimates. The GAO reported that the total cost of the projects included in the Navy's December, 1985, draft master plan for the Everett Carrier Group was initially estimated to be $441 million. The GAO found, however, that in November 1985, the Navy reduced the construction cost estimate to $272 million. According to GAO, the Navy claims that projects making up this amount would achieve an initial operating capability. In comparing the two estimates, however, the GAO found that the $169 million difference includes needed projects. The GAO reported that $44 million was excluded for a central wharf, even though Navy documents indicate the entire carrier group cannot be homeported at Everett without this wharf. The GAO further reported that another major excluded project was $27 million for off base highway improvements. Again, the GAO found that Navy documents indicate access to the homeport will be severely impeded if these improvements are not accomplished. The GAO also reported that the Navy excluded three projects, totalling $30 million, for morale, welfare, and recreation facilities that have been built with appropriated military construction funds in the past. The GAO further reported that some costs were not included in either the initial master plan estimate or the initial operating capability estimate. The GAO concluded that (1) other construction funds may be needed to upgrade the city sewerage system and build new schools, (2) dredging costs may be higher to dispose of contaminated soil, and (3) access road costs may be higher—for example, a tunnel option could cost as much as $52 million. The GAO also pointed out that, in addition, operation and maintenance, and procurement appropriations will be required to outfit and run the homeport. According to the GAO, the Navy estimates that annual operation and maintenance costs will be $15 million and that outfitting will cost $14 million. Further, since the Navy does not plan to construct family housing, the GAO concluded that military personnel funds will have to be provided for housing allowances. The GAO generally concluded that Navy estimates for the Everett carrier group relate only to construction costs and are, therefore, understated because the costs associated with outfitting and operating the new homeport are not included. (pp. 28-32, GAO Draft Report)

DOD RESPONSE: Non Concur. The GAO Report cites costs for developing the Everett site comparing the "A&E estimate" and Navy's "IOC estimate" implying Navy cost estimates are not complete. Cost differences cited by GAO are based upon preliminary unvalidated requirements, which appeared in early A&E estimates, but no longer are part of planned programs for Everett. Costs and project listings developed by an A&E under contract to the Navy do not represent an approved Navy construction program or funding level. Rather, they represent a very preliminary stage in the planning process. Projects identified during the master planning effort continue to undergo scrutiny from the standpoint of actual need at the homeport site and the scope of the proposed project itself. The Navy's November 1985 Cost Alternatives Study includes all projects that are required to support the full initial operating capability at Everett. These projects totaling $272M, have received the scrutiny of the Navy planning, programming and budgeting process, and represent current Navy requirements. Other projects not included in this program are desirable but not essential and have not been programmed by the Navy.

GAO's statement (p. 29) that ... "In Nov 1985, the Navy reduced the construction cost estimate for Everett to $272M" implies that the Navy arbitrarily reduced its cost estimate. Navy cost estimates have been continually refined as more detailed engineering designs are accomplished. As early as May 1985, in a letter to Senator Thurmond, SECNAV indicated that the estimated basic cost for Everett was $272M.

DOD disagrees that the entire carrier group (11 ships) cannot be homeported at Everett without the central marginal wharf; however, the central marginal wharf would make the Everett site more operationally efficient and is, therefore, included in the Navy's "enhanced program."

DOD disagrees that medical/dental clinic, firing range, brig and administrative facility improvement projects located at Sand Point (NAVSTA Seattle) should have been included in the Navy's cost estimates. Although the scope of several of these projects has been adjusted slightly because of the battlegroup, the requirements existed before the homeporting initiative and, therefore, not attributable to the CVBG.

DOD also disagrees that the construction cost to expand regional ordnance storage and maintenance facilities at Indian Island should be included in the Everett total. Costs associated with upgrading ordnance facilities at Indian Island are based on current and projected PACFLT ordnance storage and maintenance missions. With the addition of another carrier on the west coast, additional ordnance storage and maintenance facilities are required. Additional facilities would be required whether the CVBG is homeported in Everett, San Francisco, Long Beach, or San Diego. New facilities would be required at the respective ordnance storage and maintenance activities servicing the homeport site. While this is a CVBG related expense, it is not accruable to the Everett homeporting, because it would be a cost regardless of the CVBG homeport site.

DOD further disagrees that the Navy inappropriately has excluded Everett morale, welfare, and recreation facilities projects which have been built at other Navy bases with military construction funds. While some recreation facilities are funded through MILCON, it is Congressional policy that revenue producing MWR facilities be funded with Nonappropriated Funds (NAF). Desirable NAF projects are included in the Navy's "enhanced" program. None are included in GAO's cost estimates at existing ports.

GAO comments concerning potential offbase impact costs at Everett disregard existing federal statutes and programs for impact aid to local communities, and don't consider local/state mitigation efforts which are required before any federal assistance is provided. For instance, the City of Everett has identified $3M and the Port of Everett $6M for offbase roadway projects related to homeport development. Also, state funding support for access roads is also being pursued. In addition, the City of Everett and Snohomish County have pledged $6M for park and recreation improvements, and $6.7M for capital improvements to library, police, judicial, and public works facilities. Concerning impacts on local school systems, federal impact aid under PL81-815A also must be considered.

Finally, GAO's statement that since the Navy does not plan to construct family housing [Everett], military personnel funds will have to be provided for housing allowances is misleading. The Navy's authorized personnel end strength has not been increased due to strategic homeporting. Therefore, the payment of BAQ/VHA is a budgeted cost wherever personnel reside in private housing. It should be noted, however, that VHA rates are lower for the Everett area than any other West Coast port. Major housing deficiencies exist at all of these existing ports.

FINDING I: West Coast Battleship Group's Cost Estimate.
The GAO reported that, in November 1985, the Navy estimated it would cost $85 million to establish an initial operating capability for the West Coast battleship group. The GAO found, however, that this estimate is preliminary and is not broken out by project. The GAO, therefore, could not comment on the reasonableness of the estimate. The GAO concluded, however, that as with the other proposed homeports, additional facilities may be required for the ultimate development of the homeports because the preliminary estimate only relates to the initial operating capability. The GAO pointed out that not only will the costs of these facilities have to be determined during the comprehensive planning process, the operation and maintenance, and procurement costs will also have to be determined. The GAO generally concluded that Navy estimates for the West Coast Battleship Group relate only to construction costs and are, therefore, understated because the costs associated with outfitting and operating the new homeports are not included.
(pp. 32-33, GAO Draft Report)

DOD RESPONSE: Partially Concur. DOD agrees that the $85M estimate is preliminary and still being refined. However, it includes all known costs to homeport the BBSAG in existing ports for which considerable historical cost data exists. The Navy's estimate is now broken out by project for both MILCON and Repair/Improvement funding. SECNAV's announced preferred alternative utilizing existing homeports, was the lowest cost alternative for homeporting the West Coast BB SAG.

Although GAO considers the Navy's $85M cost estimate to be low, GAO concludes elsewhere in their report that 17 additional ships could be homeported in the same existing homeports without further waterfront construction. Further, since Navy's proposed West Coast BB SAG homeporting plan utilizes existing homeports, any increased operation and maintenance or procurement costs would also exist under GAO's proposed homeporting plan.

FINDING J: Gulf Coast Carrier And Battleship Groups' Cost Estimates. The GAO reported that, in November 1985, the Navy estimated that it would cost $254 million to establish an initial operating capability for the gulf coast carrier and battleship groups. The GAO found, however, that this estimate is preliminary and is not broken out by project. The GAO could not, therefore, comment on the overall reasonableness of the estimate. The GAO did find indications, however, that the $25 million estimate for Pensacola (one of nine locations for the group) may be understated. According to GAO, a July 1983 Atlantic Fleet study stated that $46 million would be needed for a new berthing pier, $35 million for dredging, and $31 million for an ordnance handling pier--i.e., that overall, $239 million would be needed to construct an optimum facility and a less capable facility would cost $194 million. The GAO also pointed out that the November 1985 estimate for all of the Gulf Coast homeports relates only to the initial operating capability and, as with the other proposed homeports, additional facilities may be required for the ultimate development of the homeports. The GAO noted, for example, that the Corpus Christi, Pascagoula, and Mobile homeports, do not have waterfront facilities or piers. The GAO concluded that not only the costs of these facilities will have to be determined during the comprehensive planning process, but that operation and maintenance costs, and procurement requirements and costs will have to be determined. The GAO generally concluded that the Navy estimate for the Gulf Coast carrier and battleship groups relate to construction costs only and are, therefore, understated because the costs associated with outfitting and operating the new homeports are not included.
(pp. 34-39, GAO Draft Report)

DOD RESPONSE: Partially concur. DOD agrees that the $254M cost estimate is preliminary and still being refined, but the cost estimate is broken out by project for each site. Again, it includes all known costs associated with establishing full Initial Operating Capability for all assigned ships and personnel. Although additional "desirable" projects may be programmed in the outyears, none have yet been identified.

GAO's statement that the $25M estimate for Pensacola may be understated citing a 1983 CINCLANTFLT study indicating it would cost $194M - $239M to homeport a CVBG (7 ships) at Pensacola is misleading. The Navy's $25M cost estimate for homeporting just an attack carrier (training carrier is relocated), while still being refined, is considered satisfactory for all requirements. It does not include Florida's commitment to fund $12M for dredging. DOD agrees that the estimated costs cited in the 1983 CINCLANTFLT study to homeport a CVBG in Pensacola are reasonable. Pensacola has limited waterfront areas and facilities and is land constrained. Therefore, to homeport a CVBG, to construct an ordnance pier facility, and to retain the existing training carrier in Pensacola, additional land would have to be created. Significant additional dredging, pier construction and shoreside support facilities also would be needed. For these very reasons, it was more cost effective (SECNAV's announced plan) to relocate the training carrier to Corpus Christi, locate the CV's escorts at Mobile and Pascagoula, and homeport only the operational carrier in Pensacola utilizing the existing training carrier berthing wharf. No ordnance pier is required.

Concerning O&M,N costs to operate and outfit all the new Gulf Coast homeports, Navy estimates it would cost approximately $10 to 15M more annually than if existing homeports were utilized for these ships. When compared to Navy's $3.7 billion budget for these functions, this relatively small expenditure is considered a prudent economic investment for the Navy of the 1990s.

FINDING K: Ship Berthing Capacity at Existing Homeports.
The GAO reviewed Navy berthing plans to determine how many ships the piers and quay walls (wharfs) could accommodate, if fully occupied, at existing homeports in Norfolk, Charleston, Mayport, San Diego, North Island, Long Beach, and Alameda. The GAO compared the Navy's capacity data with the ship assignment data, and found that 95 additional ships could be accommodated at the existing homeports, as shown in the following table:

Naval Station Homeport	Currently Homeported Or Expected	GAO Analysis Of Capacity	Additional Ships
Norfolk	93	101	8
Charleston	46	63	17
Mayport	29	44	15
San Diego	73	109	36
North Island	2	4	2
Long Beach	33	47	14
Alameda	6	9	3
			95

The GAO concluded that while these battlegroups may result in other construction costs (such as housing) at some existing homeports, as well as increased operation and maintenance expenses, the existing homeports have the necessary waterfront facilities in place to accommodate an additional 95 ships without further waterfront construction.
(pp. 40-53, GAO Draft Report)

DOD RESPONSE: Non Concur. The DOD disagrees that existing ports have the capacity to accommodate 95 additional ships without further waterfront or shoreside construction. The Navy's November 1985 Cost Alternatives Study submitted to Congress details the significant costs associated with homeporting any additional battleforces in existing homeports.

GAO states that ..."reserve ships are not part of the 600 ship Navy." This is incorrect. Deployable reserve ships are part of the 600 ship Navy; but the GAO report does not include any costs or pier berths to accommodate these reserve ships. Navy cost estimates provided in the November 1985 Cost Alternatives Study for relocating a BB SAG or CVBG to existing Navy ports, include facilities necessary to support the reserve ships. Also, Navy cost estimates for its Staten Island, Everett, West Coast, and Gulf Coast initiatives include all necessary facilities to support the collocated reserve ships.

It appears that GAO has developed its existing homeport loading capacities without regard to accommodating reserve ships and to such issues as:

- Varying Hull Sizes: Because a particular ship type (auxiliary, cruiser, destroyer, etc.) has different classes of ships, ship sizes vary. The hulls of some ships are such that nesting with another ship is not possible. What may be an adequate berth for one ship may not be for another.

- Pier Configuration: The length, width, location of piers, distances between adjacent piers are all factors that must be taken into consideration when developing berthing plans. Based on local experience at each port, port services personnel have developed various ship berthing scenarios that best suit local conditions. This data was used in developing the Navy's ship berthing plans.

- Cold Iron Utilities: Different piers have different cold iron utilities available. Local port services personnel must match up pierside availability of utilities with the utility needs of homeported ships.

- Maintenance Considerations: The Navy's decision to extend periods between overhauls results in an increase of SRA/PMA activity in homeports. This requires piers to have adequate laydown area, utilities, and adjacent shop space to support that maintenance. It also requires that ships undergoing maintenance be single berthed to provide workers access to both sides of the ship. Based on a recent CINCPACFLT analysis, 12 repair berths are required at San Diego, 3 at Long Beach, and 1 at San Francisco.

- Yard Craft/Visiting Ships: Berthing plans must also take into consideration the berthing space required for yard craft and miscellaneous afloat equipment, as well as visiting tenders, logistic support ships, etc. Also, the GAO Report is based on triple nesting schemes for Mayport and Long Beach (p. 58 & 66). Triple nesting is not acceptable operationally or when planning for homeport berthing. It constrains the movement and maintenance of individual ships, exascerbates pier utility capacity problems, increases harbor ops costs drastically, impinges on inboard ships getting underway, and may not even be possible due to differing hull configurations or pier spacings. It is used only as a temporary solution.

These factors make it difficult to take a strictly mathematical approach to berthing capacities as the GAO apparently has done. The DOD does not concur with the number of berths available shown in the GAO Report. The Navy applies a 67% inport factor for non-dedicated berths by hull type not ship type as done by GAO. The number of berths available should be based on the projected ship mix and loadings at each site and the application of the other berthing factors already enumerated (inport percentages, existing pier configuration, pier utilities, etc). Using this technique, and based on existing assets, the number of "available berths" at each site is as follows:

	BERTHS AVAILABLE	
	NAVY	GAO
NAVSTA Norfolk	68	70
NAVSTA Charleston	36	46
NAVSTA Mayport	22	32
NAVSTA San Diego	50	75
NAS North Island	4	4
NAVSTA Long Beach	30	34
NAS Alameda	7	7
Total	217	268

Therefore, based upon Navy's determination of berths available, application of ship berthing factors enumerated above, and projected increased ship loadings by 1993, no capacity exists within existing homeports to berth additional ships without additional construction. Following is a port by port review of capacities.

GAO table 4.2 (p. 43) estimates the Norfolk ship loading capacity at 70 berths. GAO's 70 berths include two auxiliary berths used by MSC ships and transient ships at the Supply Center. These are dedicated berths provided to support the Supply Center. The Navy's berthing plan, based on actually siting ships at the piers, shows a maximum ship loading capacity of 93 ships vice 101. The battleship, carriers, and larger amphibious ships share the four berths on piers 11 and 12.

- The Navy Cost Alternatives Study's Long Range Berthing Plan which includes Norfolk shows that ship berthing is at capacity now without an additional BB SAG or CVBG. In fact, Norfolk requires a new pier to accommodate the projected FY93 loadings. With recent decisions on shorter and fewer deployments, and extended periods between overhauls with more SRA/PMA activity, berthing space becomes even more critical. Therefore, if one or more additional ships are assigned to Norfolk, there will be an additional shortage of ship berthing as well as shoreside utilities and support facilties.

GAO table 4.3 (p. 44) estimates that 46 berths are available at Charleston. However, the report did not include a berthing plan for Charleston. Navy's analysis of Charleston, using the berthing plan developed in the Cost Alternatives Study, shows there is a capacity to berth 36 ships vice 46. A berthing plan has been provided by the Navy. It appears that the GAO plan is predicated on triple-nesting and a lack of knowledge regarding local berthing considerations for specific ship types. Triple-nesting reduces slip width between piers which could make such nesting physically impossible or pose untenable constraints on operations.

GAO table 4.4 (p. 46) estimates that 32 berths are available at Mayport. However, GAO's berthing plan on page 58 shows Mayport harbor berths completely filled with only 27 ships and one triple nested. Four of the ships are shown berthed at a new wharf not yet programmed or funded. The Navy's analysis concluded that Mayport was operationally unsuitable for the relocation of the Staten Island BB SAG due to the harbor's lack of berthing capacity beyond that required for increases already planned. Likewise, the Gulf Coast CVBG could not be accommodated in Mayport (as suggested by GAO) for the same reason.

GAO states (p. 47) ... "Our analysis showed that the Naval Station [San Diego] has the capacity to support 109 ships. Therefore, we estimate that this port could accommodate 36 additional ships." The Navy's analysis included in the November 1985 Cost Alternatives Study shows a maximum capacity to berth 50 ships. Of the 72 ships included in the homeporting forecast for NAVSTA San Diego, an average of 54 would be inport. This number was derived by taking the projected ship assignments for NAVSTA and applying the berthing rules (stated previously) to determine the number and class of ships requiring berths. A berthing plan was then developed showing each ship at a berth based on local conditions such as availability of appropriate cold iron utilities, depth of water alongside pier, pier/wharf configuration, maintenance considerations, etc. For instance, Piers 10, 11, 12 and 13 are only marginally satisfactory for LST or smaller ships. They are only 30 feet wide with minimal utilities (a 90 foot pier width is minimal). Also, the depth alongside is suitable only for shallow draft ships.

- Based on Navy's analysis a new pier is required to support the current projected ship loadings. Therefore, no excess capacity exists. If, in addition, a CVBG was assigned, another new pier would be required at NAVSTA for the escorts and a new marginal wharf required at North Island for the carrier. Also, additional shoreside utilities and support facilties would be required. GAO cost estimates include none.

GAO table 4.7 (p. 51) indicates Long Beach could accommodate 14 additional ships. On the GAO berthing plan, 8 ships are shown on Pier 15. This includes triple nesting and berthing for 3 ships at a pier extension that does not currently exist. The Navy's berthing plan included in the November 1985 Cost Alternatives Study provides for 30 ships (vice 34 per GAO) based on projected ship loadings and the berthing factors (hullsize, maintenance considerations, etc.) previously discussed. Also, GAO suggests that both Pacific Fleet battleships be homeported in Long Beach which is operationally unacceptable and berthing cannot be accommodated.

- GAO states (p. 50) ..."The Long Beach complex contains over 1600 acres of land." However, this land area includes the Naval Station, Naval Supply Center, Shipyard, and Hospital. The Naval Station itself contains only 1177 acres of which 639 are uplands and 538 are submerged. Any significant expansion of shipberthing and shore support facilities would require acquisition of additional real estate.

FINDING L: Homeporting Staten Island and Gulf Coast Battleship Groups at Norfolk. The GAO reported that the Staten Island battleship group consists of the IOWA and four escort ships and the Gulf Coast (Corpus Christi) battleship group consists of the WISCONSIN and two escort ships. The GAO observed that the eight ships in these groups equal the additional ship capacity available at Norfolk with existing facilities. The GAO further observed that Norfolk's master plan indicates that a new pier, capable of berthing six more ships, will be constructed in fiscal year 1989 at an estimated cost of $35 million. As shown below, the GAO found a sizeable cost difference between putting the two battleship groups at Norfolk, as opposed to establishing new homeports for them at Staten Island and Corpus Christi.

New Homeports	Type of Estimate	Cost (millions)
Staten Island	Architect and engineering or initial operating capability	$ 397 or $ 188
Corpus Christi	Initial Operating Capability	$ 85
Existing Norfolk Homeport:	Construction pier 1	$ 35

While recognizing that any decision to establish new homeports should not be based solely on cost (i.e., the Navy's strategic rationale should be taken into account), the GAO nevertheless concluded that it is considerably less costly to accommodate the identified battleship groups at Norfolk, than to establish new homeports. (The GAO noted that an exact quantification of the cost difference is not yet possible because the Navy has not developed complete total or comparative cost data.)
(pp. 55-56, GAO Draft Report)

DOD RESPONSE: Non Concur. DOD disagrees that the Staten Island and Gulf Coast BB SAGs (8 ships) could be accommodated at Norfolk after an already planned pier (FY 89) is constructed. Ships associated with the Staten Island and Gulf Coast BB SAGs include 16 not 8 ships. GAO did not include reserve ships and should have. Not included in either of these totals is the training carrier. The "planned pier" that GAO cites, is not programmed or funded. Regardless, this new pier is required to satisfy existing berthing deficiencies in Norfolk and, therefore, not available to berth the relocated BB SAGs as suggested by GAO. For example, the Base Commander's latest Annual Facilities Assessment states "...existing piers cannot provide the support required both in terms of lineal footage or utilities... projected completion of Pier 10 in FY87 will not resolve the shortage of berthing. During periods of heavy loading, utility systems cannot provide the required hotel services. Heavy port loading precludes pier availability for repairs." See response to FINDING K for more specifics on Norfolk port capacity limitations.

The Navy estimate, included in its Cost Alternatives Study, was $116.5M to accommodate the relocation of the Staten Island BB SAG to Norfolk. See page 9 of the Cost Study. The GAO estimate does not include required shoreside support facilities such as supply, public works, personnel, administration, utilities, family housing or MWR facilities. Supporting DOD's position is the Base Commander's Annual Report which states ... "There is a shortfall of 1,037 spaces for E-1 to E-9s.... Eleven of 16 BEQ's predate 1942 ... Facilities for physical fitness are overcrowded and restrict programs ... existing police station is not adequate to meet current and projected needs ... The Navy Supply Center has identified a deficiency of over one million SF of storage space."

The Current family housing deficiency in Norfolk totals 4145 units and is expected to increase to 4761 units by 1990 without an additional BB SAG. GAO did not include any housing construction costs in its estimates. Also, GAO did not include alternate site costs for the two reserve Frigates remaining in the New York area.

FINDING M: Homeporting Gulf Coast Carrier Group at Mayport. The GAO reported that the Gulf Coast carrier group consists of an unnamed carrier to be homeported at Pensacola, four escort ships to be homeported at Mobile, and four escort ships to be homeported at Pascagoula. The GAO observed that the nine ships in this group is considerably less than the additional capacity of 15 ships at Mayport. The GAO further observed that Mayport's master plan indicates that a new berthing wharf, capable of berthing four more ships, will be constructed in fiscal year 1988 at a cost of $17 million. As shown below, the GAO found a sizeable cost difference between putting the Gulf Coast carrier group at Mayport, as opposed to establishing new homeports for it at Pensacola, Mobile, and Pascagoula.

New Homeports	Type of Estimate	Amount (millions)
Pensacola	Initial operating capability	$ 25
Mobile	Initial operating capability	$ 33
Pascagoula	Initial operating capability	$ 57
Existing Mayport Homeport:	Construct berthing wharf	$ 17

While recognizing that any decision to establish new homeports should not be based solely on cost (i.e., the Navy's strategic rationale should be taken into account), the GAO nevertheless concluded that it is considerably less costly to accommodate the Gulf Coast carrier group at Mayport, than to establish new homeports. (The GAO noted that an exact quantification of the cost difference is not yet possible because the Navy has not developed complete total or comparative cost data.)
(pp. 57-59, GAO Draft Report)

DOD RESPONSE: Non Concur. DOD disagrees that the Gulf Coast Carrier Group (9 ships) could be accommodated in Mayport after a planned wharf is built. Ships associated with the Gulf Coast CVBG include 11 not 9 ships. GAO did not include reserve ships and should have. Not included in either of these totals is the training carrier. Also, GAO's "planned" wharf is not programmed or funded. Regardless, it is required to support the projected increases at Mayport in the mid FY 90 timeframe without an additional CVBG. Another wharf would have to be built in the congested Mayport harbor for the CVBG which would be operationally unacceptable.

- GAO's plan requires triple nesting and would not permit berthing needed for auxiliary and yard craft, visiting tenders, supply replenishment ships, etc. See response to FINDING K for more specifics on Mayport port capacity limitations.

During the Navy's detailed Cost Alternatives Study it evaluated Mayport and determined that an additional BB SAG or CVBG would not fit without triple berthing; therefore, the site was considered operationally unsuitable (See pages 9 and 33 of the Cost Study).

- GAO's proposal does not include costs for required dredging, public works/supply/maintenance facilities, housing and other support facilities, or alternate site costs for the two reserve Frigates. For example, the Base Commander's latest Annual Facilities Assessment states ... "The Mayport basin has a severe silting problem necessitating maintenance dredging every 3 years ($4.5M) and periodic interim emergency dredging ... Of the 15 pierside berths, only four are approved ammo handling berths. Considering the amount of ship moves, SRAs and ordnance moves, munitions handling berths are extremely limited ... Existing medical/dental facilities cannot accommodate the current population of 17,000 active duty, 17,600 dependents and 14,700 retired personnel. These numbers are expected to rise by FY90 to 19,300 active duty and 20,100 dependents ... No land for expansion ... piers considered inadequate for present ship loading ... Sewer and water treatment facilities are inadequate for projected ship loadings."

The current family housing deficiency in Mayport totals 1090 units and is expected to increase to 3981 units by FY90 without an additional CVBG. GAO did not include any housing construction costs in its estimate.

FINDING N: Homeporting Everett Carrier Group at San Diego.
The GAO reported that the Everett carrier group consists of the NIMITZ and eight escort ships. The GAO observed that the nine ships in this group are considerably less than the combined additional capacity of 36 ships at the San Diego Naval Station and the two ships at the North Island Naval Air Station. The GAO further observed that the carrier and the cruiser LONG BEACH, which cannot pass under the Coronado bridge to the naval station, could be homeported at North Island and the remaining seven escort ships could be homeported at the San Diego Naval Station with existing berthing piers. The GAO reported, however, that the Navy believes an additional dedicated carrier berthing wharf, costing $34 million, would be required at North Island for periods when none of the carriers are away for major overhaul under the Service Life Extension Program. As shown below, the GAO found a sizeable cost difference between putting the Everett carrier group at a combination of the San Diego Naval Station and the North Island Naval Air Station, as opposed to establishing a new homeport at Everett.

	Type of Estimate	Amounts (millions)
New Everett Homeport:	Architect and engineering or initial operating capability	$ 441 or $ 272
Existing Homeports:		
San Diego Naval Station	None	0
North Island	Construct berthing wharf	$ 34

While recognizing that any decision to establish a new homeport should not be based solely on cost (i.e., the Navy's strategic rationale should be taken into account), the GAO nevertheless concluded that it is considerably less costly to accommodate the Everett carrier group at San Diego and North Island than to establish a new homeport. (The GAO noted that an exact quantification of the cost difference is not yet possible because the Navy has not developed complete total or comparative cost data.)
(pp. 59-62, GAO Draft Report)

DOD RESPONSE: Non Concur. The Navy's detailed November 1985 Cost Alternatives Study estimates it would cost $173.1M to homeport the Everett CVBG in San Diego (See page 10 of the Cost Study). GAO shows escort ships berthed at Piers 10, 11, and 12. These piers, along with Pier 13, are only marginally satisfactory for LST or smaller ships. They are 30 feet wide with minimal utilities. The depth alongside is suitable only for shallow draft ships. Because of these shortcomings, the Navy has not included them as long-term berthing assets.

- To accommodate the relocation of the Everett CVBG in San Diego, a new pier would be required at NAVSTA San Diego for seven escorts and a new marginal wharf would be required at North Island for the CVN (plus upgrade of Pier J-K for the CGN).

GAO states (p. 48) ... "The number of carriers [at North Island] is expected to decrease to 2. Under current [SLEP] plans the program will keep at least one carrier away from North Island between April 1985 and Nov 1993." This is incorrect. Since the INDEPENDENCE will replace KITTY HAWK during her SLEP, the period during which there will only be two CVs homeported in San Diego is Oct 90 - Nov 93. At all other times 3 will be homeported. Additionally, one more CVN, due to enter PACFLT in FY 91, has not yet been assigned a homeport.

GAO's cost estimate does not include required additional facilities for SIMA, supply/public works, administration, personnel support, BEQ/BOQ, utilities, family housing, or costs for homeporting the two reserve Frigates and two reserve mine warfare vessels.

- A CINCPACFLT (CPF) May 1985 Base Capacity Study indicates ... "Land short at all activities ... High rise construction generally required ... No land availabile for outdoor recreation facilities ... Estimate $275M to bring all piers/wharfs to meet minimum criteria".

- The Base Commander's latest Annual Facilities Assessment states ... "Major structural and shore power deficiencies exist at piers 10, 11, 12, and 13, reducing capability to handle current berthing demands. Piers are only 30' wide and crane loads are limited by structural integrity. Pier 13 not operational ... There is currently a 4000 bed BEQ/BOQ shortage ... Galley seating capacity is 516 and must be able to accommodate an additional 1000 personnel by FY87 due to student training needs ... Security lighting at piers and quay walls is inadequate." See response to FINDING K for more specifics on San Diego port capacity limitations.

The current family housing deficiency in San Diego totals 6165 units and is projected to increase to 6276 units by FY90 without an additional CVBG or BB SAG. GAO did not include any housing construction costs in its estimate.

DOD's position concerning the validity of A&E early planning estimates is provided in prior responses to GAO FINDINGS. Navy's $272M cost estimate includes all facilities necessary to achieve full initial operating capability for all ships and personnel to be assigned to Everett.

FINDING O: Homeporting Everett Carrier Group at San Francisco. The GAO reported that homeporting the Everett carrier group in the San Francisco area would require putting the carrier at Alameda and the escort ships at Hunter's Point, which is being reactivated for six reserve ships. The GAO also reported that this alternative would require (1) upgrading pier 2 at Alameda, (2) upgrading the north and south piers at Hunter Point, and (3) moving a destroyer tender and a cruiser from Alameda to Hunters Point. According to GAO, the Naval Facilities Engineering Command estimates that upgrading the three piers would cost $89 million. Accordingly, as shown below, the GAO observed a sizeable cost difference between putting the carrier group in the San Francisco area, as opposed to establishing a new homeport at Everett.

	Type of Estimate	Amounts (millions)
New Everett Homeport:	Architect and engineering or	$ 441
		or
	Initial operating capability	$ 272
Existing San Francisco Homeport: Alameda and Hunters Point	Upgrade 3 piers	$ 89

While recognizing that any decisions to establish a new homeport should not be based solely on cost (i.e., the Navy's strategic rationale should be taken into account), the GAO nevertheless concluded that it is considerably less costly to accommodate the Everett carrier group at San Francisco (Alameda and Hunters Point), than to establish a new homeport. (The GAO noted that an exact quantification of the cost difference is not yet possible because the Navy has not developed complete total or comparative cost data.)
(pp. 62-65, GAO Draft Report)

DOD RESPONSE: Non Concur. The Navy's detailed November 1985 Cost Alternatives Study for establishing homeports evaluated San Francisco to accommodate a relocated Everett CVBG. This plan requires a new pier at NAS Alameda to berth the CVN and four escorts, and a new pier at NAVSTA Treasure Island to berth the remaining CVBG escorts. The Navy's estimate to accommodate the Everett CVBG in San Francisco is $252.6M. This includes required waterfront facilities and shoreside support facilities (See page 10 of the Cost Study). The GAO Report did not include any shoreside support costs.

Hunters Point was not included as an alternative in the Navy's study because Hunters Point is to be used for homeporting six reserve ships displaced from Treasure Island and Drydock #4 has been reactivated for ship maintenance needs in the Bay Area. GAO's berthing plan would preclude this use as well as ship repair activities currently being performed by Triple A at Hunters Point on land and facilities out-leased from the Navy.

DOD's position concerning the validity of A-E early planning estimates is provided in prior responses. Navy's $272M cost estimate includes all facilities necessary to achieve full initial operating capability for all ships and personnel to be assigned to Everett.

FINDING P: Homeporting West Coast Battleship Group at Long Beach.
The GAO reported that the West Coast battlegroup consists of the MISSOURI and one escort ship to be homeported at San Francisco (Treasure Island), four escort ships to be homeported at Pearl Harbor, and four escort ships to be homeported at Long Beach. The GAO observed that the six ships at Treasure Island and Pearl Harbor are considerably less than the additional capacity of 14 ships available at Long Beach with existing facilities. The GAO also observed that the costs of establishing an initial operating capability at the three new homeports are as follows:

Homeport	Type of Estimate	Amount (Millions)
San Francisco (Treasure Island and Hunters Point)	Initial operating capability	$ 67
Pearl Harbor	Initial operating capability	$ 6
Long Beach	Initial operating capability	$ 12

While recognizing that any decision to establish new homeports should not be based solely on cost differences (i.e., the Navy's strategic rationale also should be taken into account), the GAO nevertheless concluded that it is considerably less costly to accommodate the West Coast battleship group in existing homeports than to establish new homeports for them. (The GAO noted that an exact quantification of the cost difference is not yet possible because the Navy has not developed complete total or comparative cost data.) (pp. 65-67, GAO Draft Report)

DOD RESPONSE: Non Concur. DOD disagrees that the West Coast battleship group could be accommodated at Long Beach without any additional investment. Navy's analysis concluded that assignment of any additional ships beyond the projected increased loading would require construction of additional waterfront facilities. The Navy estimate to homeport the West Coast BB SAG at Long Beach is roughly equivalent to the alternate cost of homeporting the Everett CVBG at Long Beach - $187.8M which includes a new pier, pier 15 extension, and additional shoreside support facilities. Moreover, homeporting both PACFLT Battleship Surface Action Groups in the same port (one already in Long Beach) is operationally unacceptable and contrary to the Navy's dispersal plan.

GAO does not include any costs required for additional piers, additional dredging, SIMA, supply/public works, administration, personnel support, BEQ/BOQ, utilities, roads, family housing, or costs for the two reserve Frigates and two reserve mine warfare vessels. Furthermore, the GAO estimate is based on triple nesting (which is operationally unsatisfactory) and berthing 3 ships at a pier extension which doesn't exist. See response to FINDING K for more specifics.

- A May 1985 CPF Base Capacity Study states ... "Land shortage exists requiring acquisition ... No land available for outdoor recreation ... Estimate $68M to bring all piers/wharfs to meet minimum criteria."

- The Base Commander's latest Annual Facilities Assessment states ... "Inadequate Fleet landing and small boat berth/fuel pier ... Pier 10 provides inadequate permanent berthing ... Pier 11 not considered safe in high winds ... New Port Services Building required ... Planned increase in ship homeporting requires construction of an additional pier ... 1327 bed BEQ deficiency to meet existing requirements ... Parking deficit of 750 spaces ... Centrex system inadequate."

The current family housing deficit in Long Beach is 573 units and is projected to increase to 1784 units by FY90 without an additional BB SAG. GAO did not include any housing construction costs in its estimate.

MATTER FOR CONGRESSIONAL CONSIDERATION

ITEM: Because the information presented on strategy, available costs, and capacity indicates a need for the Navy to better demonstrate the strategic benefits of new homeports, and to prepare more definitive and complete cost estimates as a basis for proceeding further, the GAO suggested that the Congress should require such a demonstration before approving funds for the new homeports. (p. 67, GAO Draft Report)

DOD RESPONSE: Non Concur. The Navy's Strategic Homeporting Concept and its 5 principles evolved from almost a decade of continuous operational assessment of the capabilities and threats posed by the Soviets and other potential adversaries by various intelligence organizations, Fleet CINCs, and Chief of Naval Operations strategic planners coupled with extensive analysis and input from logistics and facilities planners to develop a Master Basing Plan for the 600 ship Navy. This plan, which was developed in consonance with the Navy's Maritime Strategy, was formalized in an October 1982 classified document, titled, The Strategic Homeporting Plan. Subsequent refinement of that plan through input from various levels of the Navy has resulted in the Strategic Homeporting Concept. Also, the Navy, in response to SASC Report 99-41 (page 252) provided Congress on November 8, 1985 a detailed Military Necessity/Cost Effectiveness Study of its Strategic Homeporting Concept. A copy of the study was furnished to GAO on November 15, 1985.

The Navy has fully demonstrated to GAO and to Congress the rationale and benefits of its Strategic Homeporting Concept; has adequately documented all known estimated construction costs required to establish each of the new bases; and, likewise has identified realistic notional costs associated with locating the Staten Island, Gulf Coast, and Everett battleforces in existing homeports vice new. The total "Delta" construction cost increase for establishing new homeports vice homeporting in existing ports ranges from $55 to $217M, depending on which alternative ports are used for comparison. Therefore, the Navy concludes that its Strategic Homeporting Concept is affordable as part of bringing the 600 ship Navy on line. The concept reflects the Navy's goals for the 1990s and is firmly supported by top Navy military professionals, both past and present. Any significant delay beyond the imposed 90 day hold on the obligation of FY 86 funds authorized by Congress could impact the IOC dates for Staten Island and Everett.

Mr. ARNY. A couple points I could make on the GAO analysis is that, in many cases, they were talking apples and oranges. They criticized us in Staten Island for not building the two piers, and instead only building one pier.

We looked at that, with one longer pier, and we said we can handle the ships. They then criticize us for double nesting, and yet, when they explored their own alternative of putting those ships in existing home ports, they went along with triple nesting, which we consider unsatisfactory.

They also, in looking at our alternative, included every dollar beyond our basic program and even included enhanced costs. This is beyond what we are looking at. They then compared that figure with their incomplete costs in existing home ports.

In the existing home ports, they only included the cost of piers. They did not include space for the additional ships now under construction, which is roughly the delta in existing home ports. You are going to have to build more than piers, and we looked at that in our study.

You have to build housing, BEQs, supply facilities, the sorts of things we are doing in the new home ports, so the basic difference is not a billion dollars.

The basic difference is $217 million over a five-year period relating to strategic homeporting. They also did not include, for instance, the cost of bething the reserve frigates in existing home ports because they say the reserve frigates are not part of the 600-ship Navy.

In fact, the reserve ships that are deployable are part of the 600-ship Navy, and you have to include them.

They did not include the costs of the auxiliary vessels we have in every port, tugs, etc., that we looked at.

Mr. COLEMAN. You will provide us with a follow-up also for the record. I wanted you to relate the Report, if you could, specifically to the Gulf Coast. Do you anticipate a delay in construction of the Gulf Coast home port as a result of Gramm-Rudman itself?

Mr. ARNY. No, sir, we do not.

Mr. COLEMAN. Does the declining investment of Kings Bay, Georgia signal that we are at the end of the construction period there?

Mr. ARNY. We have passed the curve, a very big curve there, and we have two more years after this?

Admiral JONES. Several more years, but it tapers off substantially.

Mr. ARNY. We are on the downslope in terms of magnitude of dollars each year.

Mr. COLEMAN. Your view is that during this five to 10-year period of heavy investment in these four areas that we discussed, will not result in any neglect of any other port facility?

Mr. ARNY. No, sir.

AUTHORIZATION FOR STATEN ISLAND

Mr. HEFNER. The best I remember, we did a little something unusual when we appropriated the money without authorization for Staten Island. You say you won't be able to do it.

What has to take place in April for you to be able to go ahead and go on the street and start this project? What has to happen?

Mr. **Arny**. If we decided to not let it go, that would bind us to a delay. We can ignore the request of the Senate Armed Services Committee, but if we do, we are between a rock and a hard place on that particular issue.

Mr. **Hefner**. We were kind of put between a rock and a hard place when we did it, too.

Mr. **Arny**. Our first step is to go out for the bid. With bid proposals this week or next, and using normal procedures, we would not open our bids until May anyway. As I understand it, and it depends on which lawyer I grab, there is a clause in last year's continuing resolution that said that there are a number, not just our pier, but a number of projects that were appropriated without authorization. Again depending on which person you talk to, we can spend that money.

But some feel we need to have authorization, and a substantive piece of legislation. I understand that that is occurring in the authorizing committees.

Mr. **Hefner**. You are going to have legislation before you can go ahead? Some attorneys have told us that you can go without authorization, and we were operating under that assumption.

Mr. **Arny**. We do believe we can go ahead.

Mr. **Hefner**. Why don't you do it?

Mr. **Arny**. We will. The Secretary promised Senator Thurmond that he would not proceed until he had the Senate Armed Services Committee's permission; we believe we can get that.

We are answering their questions. We are going ahead with the bid processes.

Mr. **Hefner**. That is pretty obvious, that you got to have that before the bid opening. That doesn't surprise me.

Mr. **Lowery**. Mr. Chairman, one more question, and I ask Chairman Addabbo, is there not a referendum or some ballot measure on homeporting in New York City?

Mr. **Addabbo**. There was a hearing before the Board, the Board of Estimates, the Mayor, other city offices, by a vote of 6 to 5, the Board of Estimates approved the homeporting for New York.

What we have in New York right now, and most is outside New York City, is the usual anti-nuclear people using this as a vehicle to again propound their opposition to nuclear weapons, but the majority of the people support the homeporting at the present time.

Mr. **Lowery**. There won't be a ballot measure, then?

Mr. **Arny**. That was defeated in the New York court system.

Mr. **Lowery**. I would hope every city in the United States would welcome the Navy to homeport.

Mr. **Hefner**. We would in North Carolina. You know, I don't want to get into this, but I don't want to see this process politicized. We have never done it in this subcommittee.

We do have some jurisdiction, and we do a good job on this committee. And I don't want to see it get politicized, where we go and do the things that need to be done, and we get into these political things.

I won't say any more about it. I will yield to Mr. Rudd. We aren't interested in politicizing things that need to be done.

Mr. **Arny**. It was done in Senator Thurmond's role as the chairman of the Military Construction (Milcon) Subcommittee.

Mr. **Hefner**. That is my role there, too.

Mr. Rudd?

Mr. **Rudd**. Thank you, Mr. Chairman.

The good cooperative effort with the Air Force in building that over-the-horizon radar site in Alaska is something of great interest to everybody.

How many more sites are you going to need for the defense of our Nation?

Mr. **Hefner**. Will the gentleman yield? We have that for the record. I wanted you to know that we have been into this area.

Mr. **Rudd**. I had to leave, because of some important water projects in Arizona, not politicized, by the way. This is not a political question, Mr. Chairman, and I want you to know that.

MARINE AIR BASE, YUMA, ARIZONA

Our base at Yuma, Marine Air Base, very important air base for the defense of the Nation, training facilities. You have indicated that you are going to prepare a maintenance hangar there, and add an additional one, I think, according to the testimony.

How much more construction and expansion is going to take place there of a construction——

Admiral **Jones**. I will defer to General Hoar.

General **Hoar**. In the FY 1987 Milcon program, we have $10.5 million worth of proposed construction; as you know, we are moving the AV8B aircraft into Yuma, and moving some of the existing activities along the flight line into other locations for safety reasons.

Mr. **Rudd**. Are you putting a permanent training squadron there?

General **Hoar**. There will be 3 new operational squadrons.

Mr. **Rudd**. I was down there a little while ago, and I think I saw everthing, A4s, A6s, A7s. Everything in the book was there, so I assume these are brought in for training exercises.

General **Hoar**. There are a large number of training exercises that are conducted there. Beginning in 1987, we will stand up 3 deployable tactical squadrons which will be made up of AV8Bs.

Mr. **Rudd**. This makes it a singularly important base. You can't do it without proper training, and this applies especially for the military.

The question I have for you is how deeply will the Gramm-Rudman legislation impact on your plans?

General **Hoar**. Without question, it will have an effect. We don't know what effect it will have on the 1987 program.

We see reductions in the FY 1986 program Admiral Jones is perhaps better able to speak to that. As for FY 1987, we don't have a good feel for that.

Mr. **Lowery**. Did those planes fly into Top Gun from there, and train as part of the Top Gun mission?

General **Hoar**. I am not certain about Yuma's role in Top Gun. I know there is a large number of Navy aircraft that train at Yuma.

Even though it is a Marine Station, both Air Force and Navy aircraft use the station routinely.

Mr. RUDD. Air Force has brought F-15 and 16s for training maneuvers, joint maneuvers.

Mr. ARNY. When I was in active duty we as a Navy squadron, used Yuma and Fallon. The replacement air groups like to use Yuma and the fleet uses Fallon more frequently.

The Marines use Top Gun, too, so they will send a few airplanes in, as well. Top Gun also deploys detachments when you are operating out of your fighter squadron.

Mr. RUDD. Don't you also use this for Twenty-Nine Palms?

General HOAR. The exercises at Twenty-Nine Palms would be impossible if we did not have Yuma. Yuma provides both basic aviation training as well as advanced tactical training, which allows us to go to Twenty-Nine Palms and train as an air-ground team.

Mr. RUDD. Most important flying center in the West, and maybe in the Nation.

Thank you, General.

Thank you, Mr. Chairman.

Mr. Hefner. I move that we open up the hearing now.

Mr. HEFNER. If it is in agreement, we will forego the statement, and they will be part of the record.

[The statements of Mr. Arny, Admiral Jones, and General Hoar follow:]

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RELEASED BY THE HOUSE
APPROPRIATIONS COMMITTEE

STATEMENT OF

MR. L. WAYNE ARNY III

PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE NAVY

(SHIPBUILDING AND LOGISTICS)

BEFORE THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

OF THE

HOUSE APPROPRIATIONS COMMITTEE

ON

THE FISCAL YEAR 1987 MILITARY CONSTRUCTION BUDGET

MARCH 4, 1986

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APPROPRIATIONS COMMITTEE

BIOGRAPHY
L. WAYNE ARNY, III
PRINCIPAL DEPUTY
ASSISTANT SECRETARY OF THE NAVY
(SHIPBUILDING AND LOGISTICS)

Mr. L. Wayne Arny became the Principal Deputy Assistant Secretary of the Navy for Shipbuilding and Logistics on 5 August 1984.

Mr. Arny is a 1964 graduate of the United States Naval Academy with a Bachelor of Science. He also holds a Masters Degree in International Relations from the Catholic University of America, and is a graduate of the Naval War College, the Navy Fighter Weapons School, and the Navy Test Pilot School.

He resigned from active duty in 1981 to become a professional staff member on the Committee on Armed Services of the U.S. Senate under its then new chairman, Senator John Tower (R-Texas). His principal responsibilities revolved around the new Sea Power and Force Projection Subcommittee under its Chairman, Senator William S. Cohen (R-Maine). He served the Committee until assuming his current position.

Western Pacific

From 1964 to 1981, Mr. Arny served on active duty with the United States Navy. He spent two tours, one on each coast, in fighter squadrons flying the F-4 Phantom, and has been embarked on the carriers CORAL SEA, RANGER, and SARATOGA off Vietnam, in WESTPAC, and the Mediterranean. He is a Class 54 (1970) graduate of the Navy Test Pilot School and spent one tour with the Service Test Division of the Naval Air Test Center. Mr. Arny is also a 1976 graduate of the Naval War College and served as a systems analyst/long-range planner on the OPNAV staff from 1976-1979. He was a Fellow of the American Enterprise Institute in 1979 and a political-military analyst with the U.S. State Department in 1980. Mr. Arny continues his affiliation with the Navy by remaining active in the Naval Reserve where he was selected recently to the rank of Captain.

Mr. Arny was born on October 21, 1942, in Philadelphia, Pennsylvania. He resides in Alexandria, Virginia, with his wife Sydney and two sons, Skip and Matt.

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE COMMITTEE:

I WOULD LIKE TO THANK YOU FOR THE OPPORTUNITY TO PRESENT THE NAVY AND MARINE CORPS FISCAL YEAR 1987 MILITARY CONSTRUCTION AND FAMILY HOUSING BUDGET REQUEST. WE ARE ASKING FOR $2.6 BILLION, OF WHICH $1.8 BILLION IS FOR MILITARY CONSTRUCTION AND $.8 BILLION IS FOR FAMILY HOUSING. THIS YEAR'S REQUEST OF 2.6 BILLION IS 2.5 PERCENT OF THE NAVY'S TOTAL BUDGET OF $103.5 BILLION, AS COMPARED TO LAST YEAR'S REQUEST OF $2.8 BILLION WHICH WAS 2.7 PERCENT OF THE TOTAL NAVY BUDGET OF $104.9 BILLION. THE REDUCTION IN THE NAVY REQUEST FROM THAT OF LAST YEAR IS CONSISTENT WITH THE GRAMM-RUDMAN-HOLLINGS ACT GUIDELINES RESULTING IN THE INCLUSION OF ONLY THOSE ITEMS FOR WHICH FUNDS ARE ABSOLUTELY ESSENTIAL IN FISCAL YEAR 1987. AS IN PRIOR YEARS, THE MILITARY CONSTRUCTION FAMILY HOUSING BUDGET WAS DEVELOPED IN CONJUNCTION WITH THE TOTAL NAVY AND MARINE CORPS REQUIREMENTS IN ORDER TO PROVIDE THE OPTIMUM MIX OF APPROPRIATIONS, WITHIN BUDGET LIMITATIONS, NECESSARY TO SUPPORT OUR MARITIME STRATEGY.

MILITARY CONSTRUCTION

The 1.8 BILLION MILITARY CONSTRUCTION PORTION OF OUR REQUEST REPRESENTS A 13 PERCENT REDUCTION (271 MILLION) FROM THE $2.1 BILLION REQUESTED LAST YEAR AND A 6.4 PERCENT ($109 MILLION) INCREASE FROM THE $1.7 BILLION THAT WAS APPROPRIATED. IN ORDER TO REACH CONGRESSIONAL BUDGET TARGETS, I WOULD IMAGINE THAT "ACROSS THE BOARD" CUTS OF THE VARIOUS ACCOUNTS ARE BEING CONSIDERED. IF SO, I URGE THE COMMITTEE TO RESIST ANY SUCH

ARBITRARY REDUCTIONS IN NAVY MILITARY CONSTRUCTION FOR THE FOLLOWING REASONS:

1. FACILITIES IN THE MILITARY CONSTRUCTION REQUEST ARE ESSENTIAL TO SUPPORT PERSONNEL, SHIPS, AIRCRAFT AND WEAPONS SYSTEMS WHICH HAVE ALREADY BEEN APPROVED BY CONGRESS. INEFFICIENT AND COSTLY USE OF THESE RESOURCES WILL RESULT WITHOUT THESE FACILITIES.
2. THE LARGE REDUCTION OF LAST YEAR ($0.4 BILLION, 18.2 PERCENT) FORCED THE DEFERRAL OF SOME PROJECTS TO THIS YEAR WITH ONLY THE ESSENTIAL PROJECTS SURVIVING THE COMPETITION IN THE REDUCED BUDGET ENVIRONMENT.
3. PRIOR YEAR GENERAL REDUCTIONS, PROJECT COST REDUCTIONS AND LEAN COST ESTIMATES, COUPLED WITH INCREASINGLY HIGHER BIDS BEING RECEIVED AND THE GRAMM-RUDMAN-HOLLINGS ACT REDUCTIONS COMBINE TO GIVE US A FUNDED POSITION TODAY THAT CANNOT TOLERATE ANOTHER GENERAL REDUCTION.
4. THE RELATIVELY SMALL NAVY AND MARINE CORPS MILITARY CONSTRUCTION BUDGET WITH OVER 300 PROJECTS SUPPORTING INDIVIDUAL NEEDS CANNOT WITHSTAND "ACROSS THE BOARD" CUTS AS READILY AS OTHER ACCOUNTS

THE COMMITTEE SHOULD REVIEW THE NAVY MILITARY CONSTRUCTION BUDGET BASED ON ITS MERITS, TAKING INTO CONSIDERATION THESE FACTORS.

I WOULD NOW LIKE TO DISCUSS BRIEFLY SOME OF THE HIGHLIGHTS OF THIS YEAR'S NAVY AND MARINE CORPS MILITARY CONSTRUCTION PROGRAM. MY DISCUSSION WILL BE LIMITED TO MILITARY CONSTRUCTION PROJECTS INSIDE THE UNITED STATES AS I UNDERSTAND

THE COMMITTEE HAS FUTURE HEARINGS SCHEDULED FOR PROJECTS OUTSIDE THE UNITED STATES AND FAMILY HOUSING. AS HAS BEEN THE CASE IN PREVIOUS YEARS, THE VAST MAJORITY OF OUR PROGRAM (90.5 PERCENT) CONCENTRATES ON PROJECTS INSIDE THE UNITED STATES, WITH ONLY 9.5 PERCENT FOR OVERSEAS PROJECTS.

STRATEGIC HOMEPORTING

A KEY TO MAINTAINING OUR MARITIME STRENGTH IN THE FUTURE IS OUR STRATEGIC HOMEPORTING PROGRAM WHICH WILL FACILITATE OUR 600 SHIP NAVY IN THE LEAST VULNERABLE, MOST AFFORDABLE WAY, MAXIMIZING OUR READINESS WITH MINIMAL ADDITIONAL RESOURCES. FOUR MAJOR HOMEPORTING INITIATIVES ARE KEY TO THE ACCOMPLISHMENT OF OUR OBJECTIVES. THEY INCLUDE THE HOMEPORTING OF A BATTLESHIP SURFACE ACTION GROUP IN STATEN ISLAND, NEW YORK; A CARRIER BATTLE GROUP IN EVERETT, WASHINGTON; A BATTLESHIP SURFACE ACTION GROUP; CARRIER BATTLE GROUP; AND OTHER SHIPS IN CORPUS CHRISTI, GALVESTON, LAKE CHARLES, GULFPORT, PASCAGOULA, MOBILE, PENSACOLA, AND KEY WEST; AND AN EXPANDED BATTLESHIP SURFACE ACTION GROUP IN SAN FRANCISCO, LONG BEACH, AND PEARL HARBOR. IN EACH OF THESE INITIATIVES, WE HAVE WORKED WITH THE LOCAL COMMUNITIES IN FINDING THE LEAST COSTLY SOLUTIONS.

BY DEVELOPING THESE PORTS, WE WILL BE EXPANDING OUR INDUSTRIAL SUPPORT BASE, THEREBY OBTAINING SAVINGS THROUGH INCREASED COMPETITION IN OUR MAINTENANCE REPAIR AND SUPPORT SERVICES. USING ADDITIONAL, LESS CONCENTRATED PORTS WILL IMPROVE OUR DEFENSIVE POSTURE BY COMPLICATING ENEMY MINE, CRUISE MISSILE, AND ATTACK SUBMARINE TARGETING. THE

DIVERSE GEOGRAPHICAL LOCATIONS OF THE PORTS WILL ALLOW US TO OPERATE AND TRAIN IN VARYING ENVIRONMENTS WITH A REDUCTION OF TRANSIT TIME. THE EVERETT AND STATEN ISLAND PORTS PROVIDE US WITH QUICK ACCESS TO THE NORTHEAST AND NORTHWEST SEALANES AND PORTS, WHILE THE HOMEPORTS IN THE GULF WILL ENHANCE OUR RESPONSIVENESS IN THE CARIBBEAN.

THIS YEAR WE ARE REQUESTING OUR SECOND INCREMENTS OF FUNDING FOR STATEN ISLAND AND EVERETT. THE $63.6 MILLION BEING REQUESTED FOR STATEN ISLAND AND THE 95.4 MILLION FOR EVERETT WILL PROVIDE WATERFRONT AND SUPPORT FACILITIES NECESSARY TO MEET THE 1988 INITIAL OPERATION CAPABILITY FOR THESE NEW PORTS. FUNDS FOR THE GULF COAST AND OTHER PACIFIC SITES WILL NOT BE REQUESTED UNTIL FISCAL YEAR 1988. YOUR CONTINUED SUPPORT OF THIS VERY IMPORTANT PROGRAM AND THE PROJECTS REQUESTED THIS YEAR IS APPRECIATED.

EARLE AND ALAMEDA PIERS

COMPLEMENTING THE MORE VISIBLE STRAGEGIC HOMEPORTING PROGRAM IS OUR CONTINUING PROGRAM TO PROVIDE ADEQUATE BERTHING FACILITIES AT OUR EXISTING PORTS FOR OUR EXPANDING FLEET. MAJOR ITEMS IN THIS AREA ARE THE NEW $52.5 MILLION AMMUNITION PIER AND TRESTLE AT THE NAVAL WEAPONS STATION EARLE, NEW JERSEY AND A $17.7 MILLION BERTHING PIER AND UTILITY IMPROVEMENT PROJECT AT THE NAVAL AIR STATION ALAMEDA, CALIFORNIA. THE PIER AT EARLE WILL PROVIDE SAFE, LONG-TERM HOMEPORT BERTHING FOR THE ATLANTIC FLEET AOE'S (FAST COMBAT SUPPORT SHIPS). THERE ARE NO EXISTING PIERS ON THE EAST COAST THAT ARE CAPABLE OF BERTHING THE AOE'S WITHOUT SUBJECTING ADJACENT SHIPS AND PERSONNEL TO THE EXPLOSIVE HAZARD ARC PRODUCED BY THE AOE'S. THE PIER

IMPROVEMENTS AT ALAMEDA WILL PROVIDE A SAFE AND RELIABLE PIER FOR THE BERTHING OF THREE GUIDED MISSILE CRUISERS, A DESTROYER TENDER AND A MOBILE LOGISTIC SUPPORT SHIP BY IMPROVING THE STEAM AND POWER SERVICE AND MAKING NECESSARY PIER MODIFICATIONS.

QUALITY-OF-LIFE

THE NAVY AND MARINE CORPS CONTINUE TO ENHANCE THE QUALITY-OF-LIFE OF THEIR SAILORS AND MARINES BY PROVIDING THEM QUALITY QUARTERS AND COMMUNITY FACILITIES. THIS YEAR'S PROGRAM INCLUDES $236 MILLION FOR THIRTY-ONE PROJECTS THAT WILL PROVIDE 10,129 NEW AND MODERNIZED SPACES FOR OUR PERSONNEL. TWENTY-SEVEN OF THESE PROJECTS FOR $221 MILLION PROVIDE 9,516 SPACES AT ACTIVITIES INSIDE THE UNITED STATES. EQUALLY IMPORTANT TO QUARTERS ARE THE COMMUNITY FACILITIES WHICH ARE NECESSARY TO PROVIDE A WHOLESOME ENVIRONMENT FOR OUR PERSONNEL. THIS YEAR WE ARE REQUESTING NINE PROJECTS IN THIS CATEGORY FOR $15.9 MILLION INCLUDING FOUR CHAPEL/RELIGIOUS EDUCATION FACILITIES; FOUR PHYSICAL FITNESS/INDOOR RECREATION FACILITIES; AND ONE CONSOLIDATED PERSONNEL SUPPORT FACILITY.

BRIGS

THIS YEAR'S PROGRAM INCLUDES FIVE NEW BRIGS FOR $47.4 MILLION WHICH WILL SUPPORT OUR NEW THREE TIER SYSTEM WHICH IS SCHEDULED TO BEGIN OPERATION IN 1989. THIS NEW SYSTEM WILL REPLACE AN INEFFICIENT SYSTEM COMPOSED OF EXISTING INADEQUATE FACILITIES BY:

~~1.~~ ESTABLISHING 19 "WATERFRONT" BRIGS FOR PRISONERS WITH SENTENCES UP TO 30 DAYS

2. ESTABLISHING 3 CONSOLIDATED BRIGS FOR PRISONERS WITH SENTENCES FROM 30 DAYS TO ONE YEAR
3. USING NON-NAVY FACILITIES FOR PRISONER SENTENCES GREATER THAN ONE YEAR

THIS NEW SYSTEM WILL SAVE $50 MILLION ANNUALLY BY REDUCING THE CORRECTION STAFF-TO-INMATE RATIO, INCREASING THE NUMBER OF PERSONNEL RETURNED TO DUTY AND REDUCING CONSTRUCTION COSTS TO REPLACE THE EXISTING UNSAFE, INEFFICIENT FACILITIES. THREE OF THE PROJECTS ARE "WATERFRONT" BRIGS AT THE NAVAL AIR STATIONS JACKSONVILLE, FLORIDA; MEMPHIS, TENNESSEE; AND THE NAVAL STATION SEATTLE, WASHINGTON. THESE PROJECTS WERE DEFERRED BY CONGRESS LAST YEAR AND HAVE BEEN RESUBMITTED THIS YEAR AT A REDUCED SCOPE AND COST CONSISTENT WITH THE REQUIREMENTS OF THE NEW SYSTEM. THE TWO OTHER BRIGS ARE CONSOLIDATED BRIGS AT THE NAVAL WEAPONS STATION CHARLESTON, SOUTH CAROLINA AND THE NAVAL AIR STATION MIRAMAR, CALIFORNIA, WHICH ARE THE CORNERSTONES OF OUR NEW THREE TIER DISCIPLINARY SYSTEM.

TRAINING

WE ARE CONTINUING OUR PROGRAM TO PROVIDE MODERN TRAINING FACILITIES NECESSARY TO BRING OUR SAILORS AND MARINES TO THE PROPER STATE OF READINESS TO MAN OUR SOPHISTICATED SHIPS, AIRCRAFT AND WEAPONS SYSTEMS. THIS YEAR WE ARE REQUESTING $142 MILLION FOR THIRTY-FIVE PROJECTS FOR NEW AND MODERNIZED TRAINING FACILITIES. OF THIS REQUEST $97 MILLION IS FOR FLEET OPERATIONAL TRAINING REQUIREMENTS, $13.5 MILLION FOR MARINE CORPS TRAINING AND $26.6 MILLION FOR NAVY ACADEMIC AND ACCESSION TRAINING NEEDS.

THIS YEAR'S REQUEST PROVIDES THE LAST OF THREE INCREMENTS OF CONSTRUCTION IN SUPPORT OF OUR ATTACK TRAINING FACILITY AT THE STRIKE WARFARE CENTER, NAVAL AIR STATION FALLON, NEVADA. THIS NEW CENTER WILL PROVIDE SIGNIFICANTLY IMPROVED TRAINING FOR OUR NAVY AND MARINE CORPS ATTACK PILOTS. OUR REQUEST OF $35.2 MILLION WILL PROVIDE ELECTRONIC WARFARE RANGE IMPROVEMENTS THAT WILL PROVIDE A REALISTIC HOSTILE THREAT ENVIRONMENT REPRESENTING WHAT IS LIKELY TO BE ENCOUNTERED IN A REAL LIFE ATTACK, LAND ACQUISITION TO REMOVE RESIDENTS FROM NOISE AND SAFETY HAZARDS CREATED BY THE INCREASED TRAINING OPERATIONS AND A PARALLEL RUNWAY THAT WILL INSURE SAFE TAKE-OFFS AND LANDINGS WITH THE INCREASED TEMPO OF OPERATIONS AT THE AIR STATION.

OVER-THE-HORIZON RADAR (ROTHR)

RADAR SUPPORT FACILITIES COSTING $24.4 MILLION ARE BEING REQUESTED FOR THE INITIAL FUNDING FOR THE NAVY'S OVER-THE-HORIZON RADAR (ROTHR) PROGRAM. THIS FIRST SITE LOCATED AT AMCHITKA, ALASKA WILL BE OUR FIRST LAND BASED FACILITY CAPABLE OF PROVIDING ESSENTIAL EARLY WARNING TO OUR SHIPS OF POSSIBLE ENEMY AIR OR SURFACE ACTION. THE PROGRAM IS BEING DEVELOPED IN CONJUNCTION WITH THE AIR FORCE, ENSURING NO DUPLICATION OF EFFORT.

TRIDENT

LAST YEAR WE REACHED A PEAK IN THE TRIDENT MILITARY CONSTRUCTION PROGRAM WITH $299.3 MILLION BEING APPROPRIATED. WE ARE FINALLY ON THE DOWNHILL SIDE OF THE FUNDING PROFILE CURVE WITH THE REQUEST FOR THIS SIXTH YEAR BEING $177.8 MILLION. FUNDING FOR THE SEVENTEEN REQUESTED PROJECTS IS

REQUIRED IN FISCAL YEAR 1987 TO MEET THE INITIAL OPERATING CAPABILITY OF 1989. THE MODERNIZATION OF THE SEA-BASED LEG OF OUR STRATEGIC TRIAD IS PROCEEDING WELL. THE DEVELOPMENT SCHEDULE OF THE TRIDENT II (D-5) MISSILE IS ON TRACK, MAINTAINING THE SCHEDULED INITIAL OPERATING CAPABILITY OF 1989.

CONCLUSION

MR. CHAIRMAN, THIS YEAR'S MILITARY CONSTRUCTION REQUEST IS AN INTEGRAL ELEMENT IN OUR STRATEGY OF MARITIME SUPERIORITY. IT PROVIDES THE ESSENTIAL FACILITY SUPPORT FOR THE PERSONNEL, SHIPS, AIRCRAFT AND WEAPONS SYSTEMS WHICH HAVE ALREADY BEEN APPROVED BY CONGRESS AS COMPONENTS OF OUR STRATEGY. THE $2.6 BILLION REQUEST, WHICH IS ONLY 2.5 PERCENT OF THE TOTAL NAVY BUDGET, IS A VERY ESSENTIAL ELEMENT IN OUR OVERALL STRATEGY AND A RELATIVELY SMALL INVESTMENT IN ORDER TO INSURE THAT OUR SHIPS, AIRCRAFT AND WEAPONS SYSTEMS ARE EFFECTIVELY OPERATED AND MAINTAINED. MR. CHAIRMAN, WE URGE YOU TO TAKE INTO CONSIDERATION THE UNIQUE NATURE OF MILITARY CONSTRUCTION WHEN REVIEWING THIS YEAR'S PROGRAM AND SEEK YOUR FAVORABLE CONSIDERATION OF THE REQUEST.

FISCAL YEAR 1987 MILITARY CONSTRUCTION AND FAMILY HOUSING PROGRAMS
APPROPRIATION SUMMARY BY MAJOR CLAIMANT
(DOLLARS IN THOUSANDS)

Major Command	Budget Request	% of Program	Pollution Abate.	Energy Conservation
Inside the United States:				
US Marine Corps	261,900	10.1	1,720	
Space & Naval Warfare Systems Command	1,870	.1		
Chief of Naval Operations	40,120	1.5		
Commander in Chief, Atlantic Fleet	130,910	5.1	1,170	1,080
Commander in Chief, Pacific Fleet	346,575	13.3	3,950	210
Chief of Naval Education and Training	150,500	5.8	260	2,520
Naval Medical Command	2,360	.1		
Naval Oceanography Command	980	-		
Naval Telecommunications Command	3,830	.1		
Naval Security Group Command	16,170	.6		
Naval Supply Systems Command	25,270	.9	1,330	1,670
Naval Air Systems Command	75,240	2.9	1,360	2,450
Naval Facilities Engineering Command	63,810	2.5	2,370	400
Naval Sea Systems Command	154,460	5.9	2,950	
Office of the Chief of Naval Research	41,190	1.6		
Strategic Systems Project Office	177,840	6.8		
Subtotal, Inside the United States	1,493,025	57.3	(15,110)	(8,330)
Outside the United States:				
US Marine Corps	13,220	.5		
Commander in Chief, Atlantic Fleet	42,805	1.7		
Commander in Chief, Pacific Fleet	28,340	1.1		
Commander in Chief, U.S. Naval Forces Europe	47,920	1.8		
Naval Telecommunications Comman	11,730	.5		
Naval Security Group Command	5,190	.2		
Naval Facilities Engineering Command	3,670	.1		2,100
Office of the Chief of Naval Research	3,730	.1		
Host Nation Infrastructure Support	300	-		
Subtotal, Outside the United States	156,905	6.0	(0)	(2,100)
Total	1,649,930	63.3	(15,110)	(10,430)
Unspecified Minor construction	15,000	.6		
Architectural & Engineering Services & Construction Design	143,770	5.5		
Access Roads	5,400	.2		
Total	1,814,100	69.6	(15,110)	(10,430)
Family Housing	792,913	30.4		
Grand Total	2,607,013	100.0		

FISCAL YEAR 1987 MILITARY CONSTRUCTION AND FAMILY HOUSING PROGRAMS APPROPRIATION SUMMARY BY FACILITIES CATEGORIES

NAVY

DESCRIPTION	(DOLLARS IN THOUSANDS)	% OF PROGRAM
Operational	454,620	25.1
Training	141,830	7.8
Maintenance & Production	287,330	15.9
RDT & E	51,700	2.9
Supply	126,500	7.0
Medical	-	-
Administrative	62,470	3.4
Troop Housing	236,750	13.1
Community	69,200	3.8
Utilities	107,835	5.9
Energy Conservation	10,430	.6
Water Pollution Abatement	15,110	.8
Real Estate	85,855	4.7
Access Roads	5,400	.3
Unspecified Minor	15,000	.8
Architectural and Engineering Services and Construction Design	143,770	7.9
NATO	300	-
TOTAL	1,814,100	100.0
Family Housing		
FH-Construction	176,742	22.3
FH-Improvements	51,580	6.5
FH-P&D	2,000	.2
FH-O&M	531,061	67.0
Domestic Lease Alloc	5,214	.7
Foreign Lease Alloc	17,245	2.2
FH-Debt Reduction	9,071	1.1
TOTAL	792,913	100.0
GRAND TOTAL	2,607,013	

SUMMARY OF FISCAL YEAR 1987 FAMILY HOUSING APPROPRIATIONS

Installation and Project		Requested Amount (Dollars in Thousands)
Construction		
New Construction		
NS, Long Beach, CA:	300 units	22,900
NAS, Moffett Field, CA:	126 units	11,600
PWC, San Francisco, CA:	300 units	26,450
MCAGCC, Twentynine Palms, CA:	392 units	33,900
NS, New York, NY:	300 units	28,330
Various Locations:	300 mobile home sp	4,920
NS, Keflavik, IC:	250 units	48,642
Total	1,668 units	176,742
Post acquisition construction		
Construction improvements		51,580
Planning		2,000
Total appropriations request, construction		230,322
Operations and maintenance:		
Operating Expenses:		
Management account		(44,730)
Services account		(31,553)
Utilities account		(172,071)
Furnishing account		(14,124)
Miscellaneous account		(437)
Total operating expenses		262,915
Total maintenance account		268,146
Leasing		22,459
Domestic		(5,214)
Foreign		(17,245)
Debt payment		9,071
Principal		(8,613)
Interest payment family housing		(268)
Servicemen's mortgage insurance premiums for existing coverage		(190)
Total appropriations request O&M and debt payment		562,591
Total appropriations request, Construction, O&M and debt payment		792,913

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STATEMENT OF
REAR ADMIRAL J. P. JONES, JR., CEC, U. S. NAVY
COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND
BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION
OF THE
HOUSE APPROPRIATIONS COMMITTEE
ON
THE FISCAL YEAR 1987 MILITARY CONSTRUCTION BUDGET

MARCH 4, 1986

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APPROPRIATIONS COMMITTEE

REAR ADMIRAL JOHN PAUL JONES, JR.
CIVIL ENGINEER CORPS, U. S. NAVY

Rear Admiral John Paul Jones, Jr., CEC, USN, assumed duty as Commander, Naval Facilities Engineering Command, and Chief of Civil Engineers during ceremonies on August 31, 1984. He moved into his new assignment from duty as the Vice Commander, Naval Facilities Engineering Command, and Deputy Chief of Civil Engineers.

Rear Admiral Jones graduated from the U. S. Naval Academy and was commissioned an Ensign, U. S. Navy, in 1954. His first Navy duty was as a line officer aboard the USS Calvert (APA 32). Rear Admiral Jones attended Rensselaer Polytechnic Institute where he received a Bachelor of Science degree in civil engineering and transferred to the Civil Engineer Corps in August 1957.

The Public Works Center, Guantanamo Bay, Cuba, was Rear Admiral Jones' first duty as a Civil Engineer Corps officer. He spent two years on the island before returning to the U. S. For the next four years, he served in the south Texas area, first as Public Works Officer, Naval Auxiliary Air Station, Port Isabel, and then on the staff of Commander, Naval Air Advance Training Command, Corpus Christi.

In June 1963, Rear Admiral Jones moved to his first Seabee assignment. For the next two years, he was Operations Officer and then Executive Officer, Naval Mobile Construction Battalion Four. In 1964, he became Officer in Charge of the Presidential retreat at Camp David, Thurmont, MD.

Duty as Commanding Officer, Naval Mobile Construction Battalion Sixty-Two, Gulfport, MS, and as head of the Facilities Acquisition Department, Southern Division, Naval Facilities Engineering Command, in Charleston, SC, followed. From there, he moved to duty as the Assistant Commander for Construction, Naval Facilities Engineering Command headquarters, Alexandria, VA, and then to Commander, Naval Construction Battalions, U. S. Atlantic Fleet, Norfolk, VA.

Rear Admiral Jones was Commanding Officer, Western Division, Naval Facilities Engineering Command, San Bruno, CA, when the President approved his selection to the rank of Rear Admiral. From the Western Division, he moved to duty as Vice Commander and Deputy Chief at Naval Facilities Engineering Command headquarters in July 1981.

Rear Admiral Jones' awards include the Legion of Merit with Combat "V" and Gold Star in lieu of a second award, the Bronze Star Medal with Combat "V," and the Meritorious Service Medal with Gold Star.

Rear Admiral Jones holds a Master of Science in Civil Engineering from Stanford University and attended the U. S. Naval War College in Newport, RI. He is a member of The Society of American Military Engineers, the Naval Institute, and the American Society of Civil Engineers. He is a registered professional engineer in the Commonwealth of Virginia.

He is married to the former Wynelle (Winkie) Fender of Brunswick, GA. They have three children: John Paul, III; Julie, and Karen.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM REAR ADMIRAL J. P. JONES, JR., COMMANDER OF THE NAVAL FACILITIES ENGINEERING COMMAND. I APPRECIATE THE OPPORTUNITY TO REVIEW THE NAVY'S MILITARY CONSTRUCTION BUDGET REQUEST FOR FISCAL YEAR 1987 WITH YOU. BRIGADIER GENERAL J. P. HOAR, UNITED STATES MARINE CORPS, WILL REVIEW THE MARINE CORPS PORTION OF THE REQUEST.

PROGRAM MANAGEMENT

BEFORE I REVIEW THIS YEAR'S REQUEST WITH YOU, I WOULD LIKE TO BRIEFLY DISCUSS OUR MANAGEMENT OF THE NAVY'S MILITARY CONSTRUCTION PROGRAM. LAST YEAR, I ADVISED THE COMMITTEE THAT OUR EXECUTION OF THE FISCAL YEAR 1985 PROGRAM WAS PROCEEDING WELL AND THAT WE EXPECTED LITTLE OR NO SAVINGS IN OUR PROGRAM BECAUSE OF OUR "LEAN" COST ESTIMATES AND THE "LESS HUNGRY" CONSTRUCTION MARKET. I FURTHER ADVISED THE COMMITTEE THAT I FELT THIS WAS THE BEST POSITION TO BE IN, AS IT GIVES US THE MAXIMUM AMOUNT OF URGENTLY REQUIRED FACILITIES WITHIN BUDGET LIMITATIONS, ALLOWING VALUABLE DOLLARS TO BE UTILIZED IN THE MOST TIMELY MANNER. THIS YEAR, HOWEVER, OUR POSITION IS NOT AS FAVORABLE. DUE TO OUR "LEAN" COST ESTIMATES, THE LATE ENACTMENT OF THE FISCAL YEAR 1986 BILL, GENERAL REDUCTIONS, PROJECT COST REDUCTIONS AND GRAMM-RUDMAN-HOLLINGS ACT REDUCTIONS; PROJECT EXECUTION IS NOT PROCEEDING IN THE MOST TIMELY AND COST EFFECTIVE MANNER AND IT HAS BEEN NECESSARY TO INITIATE ADDITIONAL COSTLY MANAGEMENT EFFORTS TO EXECUTE THE AUTHORIZED PROGRAM WITHIN THE TOTAL FUNDS AVAILABLE. WE ARE, IN MANY CASES, REWORKING; AND IN SOME CASES, REDESIGNING AUTHORIZED PROJECTS TO ACCOMPLISH THIS. NOT ONLY DOES AN EFFORT SUCH AS THIS TAKE AWAY RESOURCES THAT SHOULD BE DEVOTED AT THIS TIME TO THE FISCAL YEAR 1987 AND FUTURE YEAR DESIGN EFFORTS, BUT WILL RESULT IN ADDITIONAL CONSTRUCTION DELAYS WHICH INCLUDE INHERENT INFLATIONARY COST INCREASES.

THE FISCAL YEAR 1987 PROGRAM HAS ALSO BEEN REVIEWED TO ENSURE THAT COSTS REFLECT THOSE THAT WILL GIVE US THE MAXIMUM AMOUNT OF FACILITIES FOR THE DOLLAR BASED ON THE EXPECTED MARKET CONDITIONS. DESIGN OF THE PROJECTS IN THE PROGRAM ARE WELL ON THEIR WAY, AND I AM PROCEEDING WITH EXTENSIVE MANAGEMENT EFFORTS TO ENSURE EARLY AWARDS OF BOTH THE FISCAL YEAR 1987 AND THE FISCAL YEAR 1986 PROJECTS.

MILITARY CONSTRUCTION

THIS YEAR'S NAVY AND MARINE CORPS MILITARY CONSTRUCTION REQUEST OF $1.8 BILLION REPRESENTS A THIRTEEN PERCENT DECREASE FROM THE $2.1 BILLION REQUESTED LAST YEAR AND A 6.4 PERCENT INCREASE FROM THE $1.7 BILLION APPROPRIATED. EXCLUDING THE MARINE CORPS, THE NAVY REQUEST IS $1.51 BILLION WHICH IS A 17.4 PERCENT DECREASE FROM THE $1.82 BILLION REQUESTED LAST YEAR AND A 3.1 PERCENT INCREASE FROM THE $1.46 BILLION APPROPRIATED. AS IN THE PAST YEARS, THIS MILITARY CONSTRUCTION AND FAMILY HOUSING BUDGET REQUEST WAS DEVELOPED IN CONJUNCTION WITH OTHER NAVY AND MARINE CORPS REQUIREMENTS IN ORDER TO PROVIDE THE OPTIMUM MIX OF APPROPRIATIONS NECESSARY TO SUPPORT OUR STRATEGY OF MARITIME STRENGTH. THE BUDGET INCLUDES A BALANCED PROGRAM

SUPPORTING BOTH NEW AND EXISTING MISSIONS, WITH EMPHASIS BEING PLACED ON PROVIDING FACILITIES THAT PROMOTE PERSONNEL AND MATERIAL READINESS, ENHANCE PRODUCTIVITY, IMPROVE MORALE AND WELFARE, AND CONTRIBUTE TO THE RETENTION OF PERSONNEL. AS HAS BEEN THE CASE IN PREVIOUS YEARS, THE VAST MAJORITY OF OUR PROGRAM (90.5 PERCENT) IS FOR PROJECTS INSIDE THE UNITED STATES WITH ONLY 9.5 PERCENT BEING FOR OVERSEAS PROJECTS.

NEW MISSIONS

OUR REQUEST FOR NEW MISSIONS INCLUDES $506 MILLION FOR CONSTRUCTION SUPPORTING THE MODERNIZATION OF OUR FORCES BY THE INTRODUCTION OF NEW WEAPONS SYSTEMS AND OTHER NEW INITIATIVES. A LARGE PORTION OF THIS REQUEST IS IN SUPPORT OF THE TRIDENT SUBMARINE AND THE NEW TRIDENT II (D-5) WEAPON SYSTEM. THE SEVENTEEN PROJECTS INCLUDED IN THE $177.8 MILLION REQUEST THIS YEAR FOR TRIDENT MUST BE STARTED IN EARLY FISCAL YEAR 1987 TO MEET THE PLANNED INITIAL OPERATING CAPABILITY FOR THE TRIDENT II (D-5) SYSTEM AT KINGS BAY, GEORGIA, IN 1989. CONSIDERING THE TIME REQUIRED FOR CONSTRUCTION AND EQUIPMENT INSTALLATION AND CHECK OUT, IT IS ESSENTIAL THAT THE TRIDENT PROJECTS IN THIS REQUEST BE APPROVED TO ENSURE TIMELY FACILITY SUPPORT OF THE TRIDENT II SYSTEM AND THE PRESIDENT'S STRATEGIC MODERNIZATION PLAN. THE TRIDENT REQUEST FOR THIS SIXTH YEAR OF MILITARY CONSTRUCTION IS SUBSTANTIALLY LESS THAN THE $299.3 MILLION APPROVED LAST YEAR. OUR KINGS BAY PROGRAM WILL NOW BE DECREASING EACH YEAR AS THE 1989 IOC APPROACHES. MAJOR ITEMS IN THIS YEAR'S REQUEST INCLUDE THE CONTINUATION OF FUNDING

FOR THE DRYDOCK ($45.5 MILLION), DREDGING ($50.4 MILLION), AND STRATEGIC WEAPONS MAGAZINES ($16.7 MILLION), AS WELL AS FUNDING FOR THE SECOND REFIT WHARF ($23.5 MILLION).

IN ADDITION TO THE TRIDENT PROJECTS, WE ARE REQUESTING FUNDS IN THE SUPPORT OF OTHER NEW WEAPONS SYSTEMS COMING ON LINE SUCH AS THE AEGIS SHIP COMBAT SYSTEMS ($19.1 MILLION), AV-8B HARRIER AIRCRAFT ($21.6 MILLION), AND FA-18 AIRCRAFT ($3.7 MILLION).

IN THIS YEAR'S PROGRAM WE HAVE INCLUDED OUR SECOND INCREMENT OF FUNDING FOR OUR STRATEGIC HOMEPORTING INITIATIVE AT THE NEW HOMEPORT SITES AT EVERETT, WASHINGTON, AND STATEN ISLAND, NEW YORK. THE $62.2 MILLION BATTLESHIP SUPPORT COMPLEX PROJECT AT STATEN ISLAND WILL PROVIDE A SHORE INTERMEDIATE MAINTENANCE ACTIVITY, SUPPLY WAREHOUSE, BACHELOR ENLISTED AND OFFICER QUARTERS, MESS HALL AND UTILITIES AND SITE IMPROVEMENTS IN SUPPORT OF THE SURFACE ACTION GROUP SCHEDULED TO BEGIN ARRIVING IN 1988. AT EVERETT, WE ARE REQUESTING $95.4 MILLION FOR A PIER, DREDGING AND BREAKWATER, SHORELINE AND SEAWALL IMPROVEMENTS, UTILITIES AND SITE IMPROVEMENTS, AND LAND ACQUISITION IN SUPPORT OF THE CARRIER BATTLEGROUP WHICH IS ALSO SCHEDULED TO START ARRIVING IN 1988. THE DESIGN OF THE FISCAL YEAR 1987 CONSTRUCTION PROJECTS IS COMPLETE AND THE 1987 PROJECTS WILL BE COMPLETE PRIOR TO FISCAL YEAR 1987, MAKING IT POSSIBLE TO COMPLETE CONSTRUCTION IN TIME TO MEET THE 1988 INITIAL OPERATING CAPABILITY DATES.

ALSO IN THE AREA OF NEW INITIATIVES, THE REQUEST INCLUDES THE FIRST PROJECT IN SUPPORT OF OUR OVER-THE-HORIZON RADAR PROGRAM. THE $24.4 MILLION PROJECT AT AMCHITKA, ALASKA, WILL BE OUR FIRST LAND BASED FACILITY CAPABLE OF PROVIDING EARLY WARNING TO OUR SHIPS OF POSSIBLE ENEMY AIR OR SURFACE ACTION. OUR PROGRAM ALSO INCLUDES $28.8 MILLION FOR THE THIRD AND FINAL INCREMENT OF FUNDING FOR THE STRIKE WARFARE CENTER AT THE NAVAL AIR STATION FALLON, NEVADA; $6.3 MILLION FOR SEALIFT SUPPORT; AND $10.1 MILLION FOR DIRECT IMPROVEMENT AND OTHER PHYSICAL SECURITY UPGRADES.

PERSONNEL READINESS

THIS YEAR'S MILITARY CONSTRUCTION PROGRAM WILL GREATLY INCREASE THE READINESS OF OUR PERSONNEL BY PROVIDING OUR PEOPLE MODERN FACILITIES WHICH IMPROVE THEIR QUALITY-OF-LIFE AND TRAINING. ADEQUATE QUALITY-OF-LIFE FACILITIES SUCH AS BACHELOR QUARTERS, MORALE, WELFARE AND RECREATION FACILITIES AND RELIGIOUS FACILITIES ARE ESSENTIAL FOR THE RETENTION OF NAVY AND MARINE CORPS PERSONNEL AND THE ENHANCEMENT OF PERSONNEL READINESS. THIS YEAR'S NAVY PROGRAM FOR QUALITY-OF-LIFE PROJECTS IN THE AMOUNT OF $169 MILLION CONSTITUTES A SOUND INVESTMENT THAT WILL BE QUICKLY AMORTIZED BY THE RETENTION OF KEY PERSONNEL. THE REQUEST INCLUDES TWENTY-THREE NAVY BACHELOR QUARTERS PROJECTS IN THE AMOUNT OF $159 MILLION THAT WILL PROVIDE 5,855 NEW AND MODERNIZED SPACES FOR OUR PEOPLE. THE NAVY IS CONTINUING ITS EFFORTS TO ENHANCE THE QUALITY-OF-LIFE OF ITS MEMBERS BY EXPANDING ITS RELIGIOUS AND PHYSICAL FITNESS PROGRAMS. THIS YEAR'S REQUEST SEEKS FUNDS FOR FOUR CHAPELS AND RELIGIOUS EDUCATION FACILITIES, TWO PHYSICAL FITNESS CENTERS AND ONE CONSOLIDATED PERSONNEL SUPPORT FACILITY.

PERSONNEL READINESS SHOULD ALSO BE ENHANCED WHEN OUR NEW THREE TIER BRIG SYSTEM IS PUT INTO OPERATION IN 1989. THIS SYSTEM WILL REPLACE AN INEFFICIENT SYSTEM COMPOSED OF INADEQUATE FACILITIES. FUNDS FOR $47.4 MILLION HAVE BEEN REQUESTED THIS YEAR FOR THE FIRST NEW BRIGS TO BE CONSTRUCTED UNDER THIS PROGRAM. THE TWO CONSOLIDATED BRIGS AT THE NAVAL WEAPONS STATION CHARLESTON, SOUTH CAROLINA, AND THE NAVAL AIR STATION MIRAMAR, CALIFORNIA, WILL BE USED FOR PRISONERS WITH SENTENCES FROM THIRTY DAYS TO ONE YEAR AND ARE THE CORNERSTONES OF OUR NEW THREE TIER DISCIPLINARY SYSTEM. THE REMAINING THREE PROJECTS ARE FOR "WATERFRONT" BRIGS AT THE NAVAL AIR STATIONS JACKSONVILLE, FLORIDA, AND MEMPHIS, TENNESSEE, AND THE NAVAL STATION SEATTLE, WASHINGTON. THE PROJECTS WERE DISAPPROVED BY CONGRESS LAST YEAR AND HAVE BEEN RESUBMITTED THIS YEAR AT REDUCED SCOPES AND COSTS CONSISTENT WITH THE REQUIREMENTS OF THE NEW SYSTEM. THE NEW BRIG PROGRAM WILL CONSIST OF 19 "WATERFRONT" BRIGS AND THREE CONSOLIDATED BRIGS WITH NON-NAVY FACILITIES BEING USED FOR PRISONERS WITH SENTENCES GREATER THAN ONE YEAR.

IT IS IMPORTANT TO PROVIDE MODERN TRAINING FACILITIES TO BRING OUR PERSONNEL TO THE PROPER STATE OF READINESS REQUIRED TO MAN OUR COMPLEX SHIPS AND WEAPONS. IN ORDER TO IMPROVE READINESS TRAINING, WE ARE REQUESTING $123.1 MILLION FOR TRAINING PROJECTS. THESE FUNDS WILL BE LARGELY UTILIZED TO MODERNIZE, EXPAND AND PROVIDE NEW TRAINING FACILITIES

TO THE PROPER SIZE AND CONFIGURATION REQUIRED FOR REALISTIC TRAINING ON EQUIPMENT CORRESPONDING TO OUR LATEST SHIPS AND WEAPONS SYSTEMS.

MATERIAL READINESS

MATERIAL READINESS IS IMPROVED THROUGH OUR MILITARY CONSTRUCTION PROGRAM BY THE CONSTRUCTION OF FACILITIES THAT SUPPORT THE REPAIR, MAINTENANCE AND SERVICING OF OUR SHIPS, AIRCRAFT AND EQUIPMENT, ENSURING THAT THEY ARE FULLY COMBAT READY AND MISSION CAPABLE. IN THIS YEAR'S REQUEST WE HAVE $203 MILLION FOR THIRTY-THREE NEW AND MODERNIZED FACILITIES AT OUR NAVAL ACTIVITIES THROUGHOUT THE WORLD PROVIDING THE PROPER LEVEL OF MAINTENANCE REQUIRED FOR OUR WEAPONS SYSTEMS. THREE OF THE LARGER PROJECTS IN THIS CATEGORY ARE THE DRYDOCK AT THE NAVAL SUBMARINE BASE KINGS BAY, GEORGIA, AND AN AIRCRAFT REWORK FACILITY AND AN AIRCRAFT ENGINE BLADE REWORK FACILITY AT THE NAVAL AIR REWORK FACILITY, CHERRY POINT, NORTH CAROLINA. THE $45.4 MILLION DRYDOCK PROJECT PROVIDES THE SECOND INCREMENT OF FUNDING TO ACCOMMODATE THE OHIO CLASS SUBMARINE AT KINGS BAY. AT CHERRY POINT THE $21.6 MILLION AIRCRAFT REWORK FACILITY WILL PROVIDE A MODERN FACILITY WITH FULL CAPABILITY FOR THE REPAIR AND MANUFACTURE OF COMPONENTS IN THE AV-8B AIRCRAFT AND OTHER WEAPONS SYSTEMS WHILE THE $15.6 MILLION AIRCRAFT ENGINE BLADE REWORK FACILITY WILL PROVIDE THE CAPABILITY TO RESTORE DAMAGED AIRCRAFT, ENGINE BLADES AND VANES TO A REUSABLE CONDITION. SAVINGS FROM THE BLADE REWORK IS EXPECTED TO PAY BACK THE INVESTMENT ONE YEAR AFTER WE BEGIN OPERATION. CONTRIBUTING TO

MATERIAL READINESS AS WELL AS THE SUSTAINABILITY OF OUR FORCES ARE $86 MILLION FOR WATERFRONT SUPPORT PROJECTS, $83 MILLION FOR PROJECTS THAT SUPPORT SHIPYARD MODERNIZATION, AND $94 MILLION FOR FLEET SUPPORT OF OUR INDUSTRIAL BASE AT OUR NAVAL SUPPLY CENTERS, PUBLIC WORKS CENTERS, NAVAL WEAPONS STATIONS AND NAVAL MAGAZINES.

MAJOR WATERFRONT SUPPORT PROJECTS INCLUDE THE NEW $52.5 MILLION AMMUNITION PIER AND TRESTLE AT THE NAVAL WEAPONS STATION EARLE, NEW JERSEY, THAT WILL PROVIDE SAFE, LONG-TERM BERTHING FOR OUR ATLANTIC FLEET AOE'S (FAST COMBAT SUPPORT SHIPS); AND THE $17.7 MILLION BERTHING PIER AND UTILITY IMPROVEMENT PROJECT AT THE NAVAL AIR STATION ALAMEDA, CALIFORNIA, THAT WILL PROVIDE ADEQUATE BERTHING AND UTILITY SUPPORT FOR FIVE SHIPS HOMEPORTED AT THE STATION. IN OUR SHIPYARD MODERNIZATION PROGRAM WE ARE REQUESTING PROJECTS SUCH AS THE NEW ENGINEERING MANAGEMENT BUILDING ($10.9 MILLION) AT THE NAVAL SHIPYARD PORTSMOUTH, NEW HAMPSHIRE, WHICH WILL PROVIDE FOR MORE EFFICIENT AND EXPEDITIOUS SERVICE FOR OUR COMPLEX SSN-688 CLASS SUBMARINE OVERHAULS. OUR $45.8 MILLION PROGRAM FOR PUBLIC WORKS CENTERS INCLUDES SIX UTILITY SYSTEM IMPROVEMENTS PROJECTS SUCH AS THE ELECTRICAL DISTRIBUTION IMPROVEMENTS PROJECT AT PEARL HARBOR, HAWAII, WHICH WILL ENSURE THAT ADEQUATE EMERGENCY ELECTRIC POWER IS AVAILABLE FOR CRITICAL LOADS SO THAT SHIPYARD OPERATIONS WILL BE ABLE TO CONTINUE WITHOUT SIGNIFICANT INTERRUPTION.

SUMMARY CONCLUSION

THIS IS A PROGRAM THAT PLACES HIGH PRIORITY ON READINESS AND SUSTAINABILITY OF OUR FORCES AND INSURES A TIMELY RESPONSE TO THE NEEDS OF NEW WEAPONS SYSTEMS NOW BEING INTRODUCED INTO THE FLEET. EACH OF THE PROJECTS IN THIS BUDGET REQUEST HAS SURVIVED THE CLOSEST SCRUTINY OF ITS COST OF OWNERSHIP AND ITS CONTRIBUTION TO THE MISSIONS OF THE NAVY. WE URGE YOUR FAVORABLE CONSIDERATION OF THE NAVY'S FISCAL YEAR 1987 MILITARY CONSTRUCTION APPROPRIATIONS REQUEST. I WELCOME ANY QUESTIONS THAT YOU MIGHT HAVE.

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BY THE HOUSE APPROPRIATIONS COMMITTEE

STATEMENT OF
BRIGADIER GENERAL J. P. HOAR
UNITED STATES MARINE CORPS
DIRECTOR, FACILITIES AND SERVICES DIVISION
(INSTALLATIONS AND LOGISTICS)
BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION
OF THE
HOUSE APPROPRIATIONS COMMITTEE
CONCERNING THE
FISCAL YEAR 1987 MILITARY CONSTRUCTION BUDGET
ON
MARCH 4, 1986

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UNITED STATES MARINE CORPS
DIVISION OF PUBLIC AFFAIRS • HEADQUARTERS MARINE CORPS
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BRIGADIER GENERAL JOSEPH P. HOAR, USMC

Brigadier General Joseph P. Hoar is the Director, Facilities and Services Division, Installations and Logistics Department, Headquarters Marine Corps, Washington, D.C.

General Hoar was born on Dec. 30, 1934 in Boston, Massachusetts. He was commissioned a second lieutenant in the Marine Corps in 1957, after graduation from Tufts University, in Medford, Mass. After completing The Basic School, Quantico, Va., his first assignment was as a rifle platoon commander in the 5th Marines. He served subsequently in the 1st Battalion, 1st Marines at Camp Pendleton, Calif., and on Okinawa as a battalion staff officer.

His first non-FMF assignment was at Marine Barracks, Yorktown, Virginia. Barracks assignments included platoon commander and guard company commander. After a short tour at Marine Corps Base, Camp Lejeune, N.C., as Assistant G-1, he reported to the 2d Marine Division. He commanded Company M, 3d Battalion, 2d Marines and served as the Battalion Operations Officer while a member of that command. From 1966-67, he was battalion and brigade advisor with the Vietnamese Marines.

After Vietnam, he reported to Headquarters Marine Corps, Washington, D.C. During his three-year tour at Headquarters, he served in the G-3 Division and as Special Assistant to the Assistant Commandant of the Marine Corps.

In 1971, he returned overseas where he was Executive Officer of the 1st Battalion, 9th Marines. During the period 1972 to 1976, General Hoar was assigned as an instructor at the Marine Corps Command and Staff College; then returned to Headquarters Marine Corps for duty in the Personnel Management Division.

General Hoar returned to the 1st Marine Division and commanded the 3d Battalion, 1st Marines until July 1978. Relinquishing command of the battalion, he was reassigned to the Division Staff as the Assistant G-1. Subsequently, he became the Division Assistant Chief of Staff, G-1 and during this time was promoted to colonel. In 1979, General Hoar once again returned to the 1st Marines. He commanded the Regiment until April 1981.

He assumed command of the 31st MAU in Freemantle, Australia, on June 1, 1981. In the following year the MAU participated in three Indian Ocean deployments and nine amphibious exercises.

Upon returning to the United States, General Hoar was assigned to the Marine Corps Recruit Depot, San Diego, Calif., as the Assisant Chief of Staff, G-1. While serving in this capacity, he was selected in February 1984 for promotion to brigadier general. He was advanced to that rank on April 13, 1984 and assigned duty as the Assistant Division Commander, 2d Marine Division, FMF, Atlantic, Camp Lejeune, N.C., on April 30, 1984. He served in this capacity until assuming his current assignment on June 3, 1985.

General Hoar has a master's degree from George Washington University, and has graduated from the Marine Corps Command and Staff College and the National War College.

His personal decorations include the Bronze Star Medal with Combat "V" with gold star, and the Meritorious Service Medal with gold star.

(Revised June 7, 1985 HQMC)

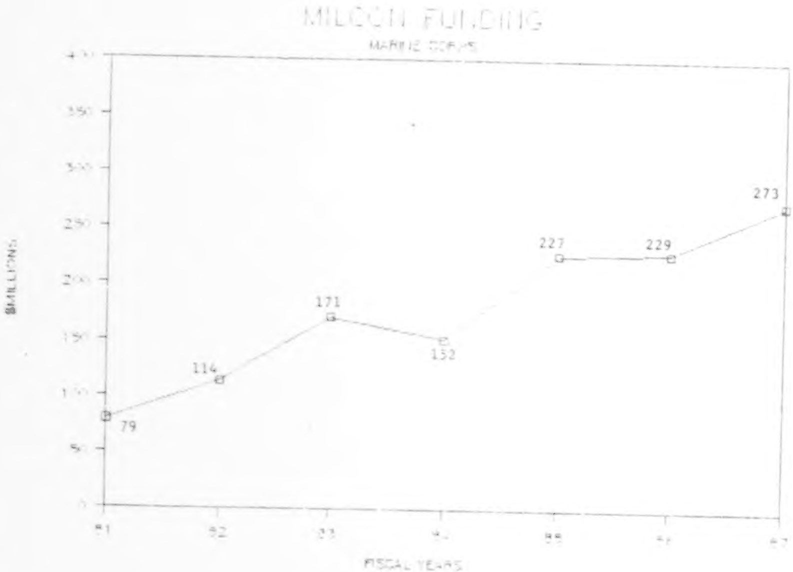
MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE

I AM BRIGADIER GENERAL JOSEPH P. HOAR, DIRECTOR, FACILITIES AND SERVICES DIVISION, INSTALLATIONS AND LOGISTICS DEPARTMENT, HEADQUARTERS MARINE CORPS. I AM PLEASED TO HAVE THE OPPORTUNITY TO APPEAR BEFORE YOU THIS YEAR TO PRESENT THE MARINE CORPS' MILITARY CONSTRUCTION PROGRAM FOR FISCAL YEAR 1987. THE FISCAL YEAR 1987 PROGRAM SUSTAINS EFFORTS STARTED IN PRIOR YEARS TO IMPROVE THE OPERATIONAL READINESS OF THE MARINE CORPS, WHILE AT THE SAME TIME, PROVIDING THOSE QUALITY OF LIFE IMPROVEMENTS SO NECESSARY TO ATTRACT AND RETAIN DEDICATED INDIVIDUALS TO SERVICE IN THE MARINE CORPS.

WE APPRECIATE YOUR PAST SUPPORT OF THIS PROGRAM. THIS SUPPORT HAS ALLOWED THE MARINE CORPS TO ACQUIRE MUCH NEEDED HOUSING, DINING, TRAINING, AND MAINTENANCE FACILITIES. THESE MODERN FACILITIES HAVE IMPROVED OUR ABILITY TO ACCOMPLISH OUR MISSION AS WELL AS IMPROVE THE QUALITY OF LIFE ENJOYED BY OUR MARINES AND THEIR DEPENDENTS.

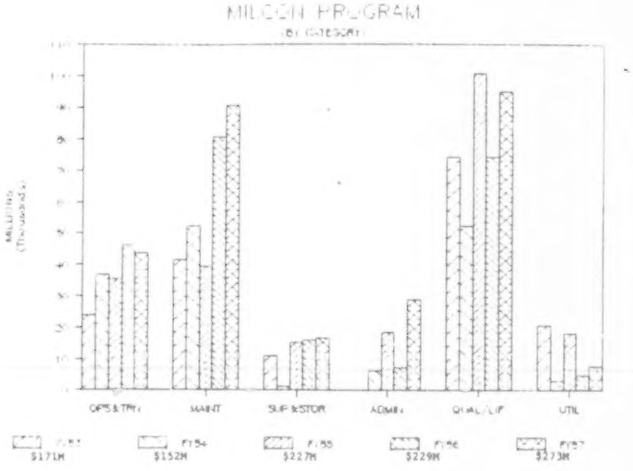
SEVERAL YEARS AGO WE MADE A COMMITMENT TO INVEST MORE OF OUR RESOURCES IN THE ACQUISITION OF NEW FACILITIES. WITH YOUR HELP WE HAVE BEGUN TO DO SO. FOR THE PAST THREE YEARS, OUR MILITARY CONSTRUCTION PROGRAM, AS ENACTED, HAS GROWN FROM THE PREVIOUS YEAR. MORE SIGNIFICANTLY, THE MILITARY CONSTRUCTION AMOUNT HAS BEEN GROWING AS A PERCENTAGE OF THE MARINE CORPS' TOTAL BUDGET. THIS FACT, I BELIEVE, BETTER THAN ANY OTHER ILLUSTRATES THE DEPTH OF OUR COMMITMENT TO PROVIDE FIRST CLASS FACILITIES. SINCE WE BECAME OUR OWN RESOURCE SPONSOR IN 1982, OUR MILITARY CONSTRUCTION PROGRAM HAS GROWN FROM $114 MILLION TO $229 MILLION IN 1986. THE GROWTH OVER THIS PERIOD IS REFLECTED IN CHART 1.

CHART 1



THESE FUNDS HAVE BEEN APPLIED AGAINST NEEDED FACILITY IMPROVEMENTS IN OPERATIONS AND TRAINING, MAINTENANCE, SUPPLY AND STORAGE, ADMINISTRATION, QUALITY OF LIFE, AND UTILITIES AS SHOWN IN CHART 2.

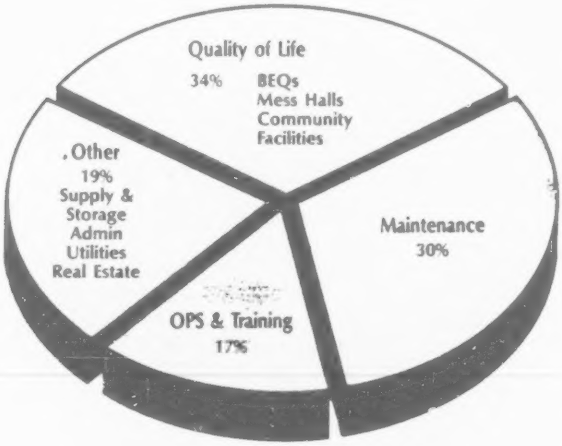
CHART 2



I AM PROUD TO BE ABLE TO TELL YOU THAT THIS YEAR'S MILITARY CONSTRUCTION REQUEST CONTINUES THE UPWARD TREND TO FULFILL OUR COMMITMENT TO OUR MARINES AND THEIR FAMILIES. THIS YEAR THE MARINE CORPS' APPROPRIATION REQUEST IS $273 MILLION; AN INCREASE OF $44 MILLION OVER FISCAL YEAR 1986. THIS INCREASE IS NECESSARY TO PROVIDE NEEDED FACILITIES FOR NEW EQUIPMENT THAT HAS BEEN PROCURED, TO TAKE CARE OF PROPERLY HOUSING OUR ENLISTED MARINES, TO REPLACE OVER-AGE PLANT, AND TO REDUCE OUR $3.1 BILLION BACKLOG. IT PROVIDES A BALANCED PROGRAM IN RESPONSE TO THE MARINE CORPS' MOST URGENT NEEDS, AS INDICATED ON CHART 3.

CHART 3

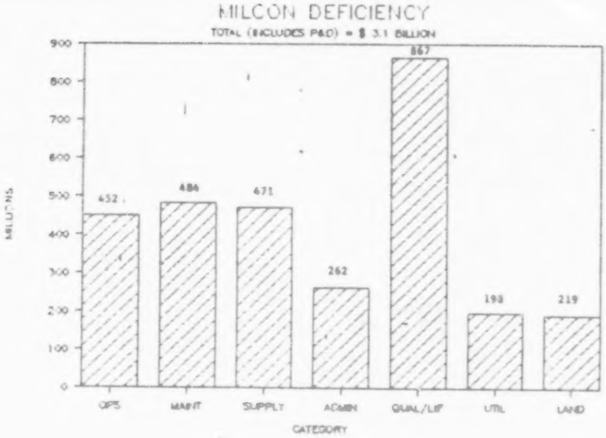
Marine Corps
Military Construction (MILCON) Distribution



OUR FISCAL YEAR 1987 PROGRAM AGAIN PLACES A HIGH PRIORITY ON QUALITY OF LIFE PROJECTS, AND IT ACCOMMODATES OUR MOST URGENT OPERATIONAL REQUIREMENTS. THIS PROPOSED PROGRAM WILL HELP US CONTINUE TO IMPROVE BOTH PERSONNEL AND MATERIAL READINESS. IT WILL ALSO HELP TO REDUCE OUR $3.1 BILLION DOLLAR BACKLOG OF REQUIRED FACILITIES.

CHART 4 DEPICTS OUR DEFICIENCIES.

CHART 4



WHILE THE MARINE CORPS HAS DEDICATED 38% OF ITS MILITARY CONSTRUCTION BUDGET ($398 MILLION) IN FISCAL YEARS 1980 TO 1986 TO THE CONSTRUCTION OF 26,536 LIVING SPACES, WE STILL HAVE A LONG WAY TO GO, AND ARE COMMITTED TO ALLOCATING THE RESOURCES IN THE COMING YEARS TO CONTINUE REDUCING THIS DEFICIENCY. OUR REQUEST THIS YEAR INCLUDES $77.1 MILLION FOR PROJECTS AT 6 MARINE CORPS ACTIVITIES WHICH PROVIDE LIVING SPACES FOR 4,274 BACHELOR ENLISTED MARINES. ALTHOUGH BACHELOR ENLISTED HOUSING PROJECTS REPRESENT A SIGNIFICANT PROPORTION OF OUR REQUEST, WE WILL STILL HAVE A DEFICIT OF 40,538 ENLISTED SPACES AFTER WE FINISH OUR FISCAL YEAR 1987 PROGRAM---ONE-THIRD OF THE MARINE CORPS' PROGRAM REQUIREMENT FOR BACHELOR ENLISTED HOUSING. ALSO INCLUDED IN OUR FISCAL YEAR 87 REQUEST IS $16.3 MILLION FOR SUCH THINGS AS A MESSHALL, A MESSHALL ADDITION AND MODERNIZATION, AND TWO PHYSICAL FITNESS FACILITIES.

WITH THE INTRODUCTION OF NEW WEAPONS SYSTEMS, THE MARINE CORPS REQUIRES THE SUPPORT FACILITIES TO EFFICIENTLY MAINTAIN AND CONSERVE THESE ASSETS. OUR FISCAL YEAR 1987 REQUEST CONTINUES TO PROVIDE THESE SUPPORT FACILITIES. MAINTENANCE FACILITIES AT $84.3 MILLION COMPRISE THE SECOND LARGEST PORTION OF OUR CONSTRUCTION PROGRAM. THIS REPRESENTS 21 PROJECTS AT 12 MARINE CORPS ACTIVITIES.

THE AVIATION READINESS PROJECTS INCLUDE: NEW MAINTENANCE HANGARS, HANGAR ADDITIONS, AND IMPROVEMENTS IN SUPPORT OF AV-8B AND F/A-18 AIRCRAFT, THREE ENGINE MAINTENANCE SHOPS, FUEL SYSTEM MAINTENANCE FACILITY, AN AVIATION ARMAMENT SHOP, AN ENGINE TEST CELL, POWER CHECK PAD IN SUPPORT OF F/A-18 AIRCRAFT, AND REFUELING VEHICLE MAINTENANCE SHOP.

MAINTENANCE FACILITIES ARE ALSO REQUESTED TO SUPPORT UNITS AT OUR MAJOR GROUND SUPPORT BASES. THE SUPPORT FACILITIES INCLUDE A PARACHUTE AND SURVIVAL EQUIPMENT SHOP, TWO ELECTRONIC COMMUNICATIONS MAINTENANCE FACILITIES, THREE COMBAT VEHICLE MAINTENANCE SHOPS, AN ORGANIZATIONAL AUTOMOTIVE MAINTENANCE SHOP, AND A FIELD MAINTENANCE COMPLEX.

OUR FISCAL YEAR 1987 REQUEST EMPHASIZES IMPROVING THE WORKING AND TRAINING CONDITIONS FOR OUR MARINES. WE ARE REQUESTING $42.8 MILLION FOR THE CONSTRUCTION OF 19 OPERATIONAL AND TRAINING PROJECTS AT 9 MARINE CORPS ACTIVITIES. THESE PROJECTS, ESSEN-

TIAL TO SUPPORT OUR READINESS, WILL PROVIDE FACILITIES SUCH AS: RUNWAY APPROACH LIGHTING, AIRCRAFT OPERATIONS BUILDING AND CONTROL TOWER, COMBAT AIRCRAFT ORDNANCE LOADING AREA, TACTICAL SUPPORT VAN PADS, AIRCRAFT RINSE FACILITIES, PASSENGER TERMINAL, TROOP AND CARGO STAGING FACILITY, TRAINING SUPPORT CENTER, ARMORIES, AIRCRAFT MAINTENANCE TRAINING BUILDING, COMBINED ARMS TRAINER, TACTICAL AIR COMBAT TRAINING FACILITY, AND OPERATIONAL TRAINING FACILITIES.

ALSO INCLUDED IS A REQUEST FOR $16.5 MILLION FOR A SUPPLY COMPLEX, COMMUNICATIONS SUPPORT FACILITY, AND TWO AIR TRAFFIC CONTROL SQUADRON FACILITIES. THESE PROJECTS WILL INSURE THAT THE MATERIALS PROVIDED THE MARINE CORPS ARE PROPERLY ORGANIZED AND MAINTAINED SO THAT THEY ARE AVAILABLE WHEN NEEDED.

OUR REQUEST INCLUDES $28.5 MILLION FOR EIGHT ADMINISTRATIVE PROJECTS AT EIGHT ACTIVITIES WHICH INCLUDE BATTALION OPERATIONS FACILITIES, RECRUIT BATTALION OPERATIONS FACILITY, REGIMENTAL BATTALION OPERATIONS CENTER, A GROUP OPERATIONS FACILITY, A BATTALION HEADQUARTERS, A COMPANY AND BATTERY OPERATIONS CENTER, AND BUILDING ENVIRONMENTAL IMPROVEMENTS.

AN ADDITIONAL $7.5 MILLION IS REQUESTED FOR FLIGHT LINE SECURITY IMPROVEMENTS, ROAD IMPROVEMENTS, AND LAND ACQUISITION.

SUMMARY

MR. CHAIRMAN, IN SUMMARY, I WOULD EMPHASIZE THAT THE MARINE CORPS' FISCAL YEAR 1987 MILITARY CONSTRUCTION BUDGET REQUEST REFLECTS THE MOST URGENT NEEDS OF THE MARINE CORPS AND PLACES HIGH PRIORITY ON READINESS AND SUSTAINABILITY OF OUR FORCES, INSURES TIMELY SUPPORT FOR NEW WEAPONS SYSTEMS NOW BEING INTRODUCED INTO THE FIELD, AND IMPROVES THE QUALITY OF LIFE OF OUR MARINES. APPROVAL OF THIS REQUEST WILL CONTINUE THE EFFORTS OF THE MARINE CORPS AND THE CONGRESS TO PROVIDE MODERN FACILITIES, ENABLING US TO ATTRACT AND RETAIN QUALITY MARINES AND MAINTAIN OPERATIONAL READINESS AND FIGHTING ABILITY.

OUR PROGRAM IS THE RESULT OF A CAREFUL, WELL-REASONED, AND THOROUGH DECISION PROCESS BASED ON OUR BEST JUDGEMENT AND OPERATIONAL EXPERIENCE. THE PROJECTS INCLUDED REPRESENT THE MOST COST-EFFECTIVE METHOD OF ACHIEVING THE MARINE CORPS' MISSION. WE URGE YOUR FAVORABLE CONSIDERATION OF THE MARINE CORPS' FISCAL YEAR 1987 MILITARY CONSTRUCTION APPROPRIATION REQUEST.

PERMIT ME TO EMPHASIZE AGAIN OUR APPRECIATION FOR THIS COMMITTEE'S CONTINUED SUPPORT.

SIR, THIS CONCLUDES MY STATEMENT. I WOULD BE PLEASED TO ANSWER ANY QUESTIONS.

Mr. **Hefner**. I have a real simple question for General Hoar. Did they treat you well in North Carolina?

General **Hoar**. They treated me well. My wife sat down and cried when she learned we were coming back to Washington.

COST SHARING, EVERETT, WASHINGTON

Mr. **Hefner**. Last year, the committee directed the Navy to seek additional cost-sharing support in connection with future commitments at Everett as the Navy has done in the cases of Staten Island and the Gulf Coast.

Can you explain what progress has been made with the city or State in working out a cost-sharing arrangement for certain features of the program?

Admiral **Jones**. Yes, sir, we have been working with the city, county and the Port Authority of Everett. I will get some numbers here in a moment, Mr. Chairman.

The Port Authority, and I don't think we have any of this committed to writing yet, but it is our understanding that the Port Authority is willing to commit $6 million for roads near the port.

The city is willing to redirect $3 million for roads and streets in the city that would be in direct support of our presence there in the city, in the Port of Everett, and the county has agreed to fund from $1.5 to $2.5 million for improving site access.

The State efforts are underway to provide some additional $10 to $17 million, but that requires legislation, and we don't know how that will work out in the State of Washington. We would anticipate we would have some knowledge of that by January of 1987.

Mr. **Hefner**. According to news articles, the City of Everett has approved an access road plan that is estimated to cost $64 million, and has stated that they will not share in the cost. Has the Navy been working with the local community or State on a coordinated plan for access roads?

If so, is this $64 million plan realistic or has the Navy developed other plans?

Admiral **Jones**. The $64 million plan was a very early-on case, Mr. Chairman, and that is totally out of the question, in our view.

The Federal Highway Administration has developed a conceptual solution to the access problem which envisions a viaduct along Marina View Boulevard, and it will cost between $30 and $35 million. We have not received that concept solution yet, Mr. Chairman.

We will take a real hard look at the viaduct solution from an engineering standpoint, and also review the traffic count that the Federal Highway Administration used in coming up with the viaduct solution. We feel that there may be a lower cost alternative.

Mr. **Arny**. Mr. Chairman, there will be a carrier homeported there, and they took a total look at the carrier and its air wing. The air wing will not be aboard the carrier until they deploy, so you don't have the 6,000 people moving out on a day-to-day basis, but they have that number.

We are working with them.

Admiral **Jones**. This is an ongoing process. We will be working closely with the State and local authorities in Everett to come up with the best adequate solution with least costs.

Mr. **Hefner**. Do you feel that the State is being cooperative with you in this effort?

Mr. **Arny**. Yes, sir, we do. They have their own internal legislative problems, but Governor Gardner is working towards the goal of $10 to $17 million now, and we understand that the press articles have reported him as saying, "I have to work through that legislative process."

Mr. **Hefner**. How much in revenues do you expect the State of Washington to accrue as a result of the special Washington State tax on materials used in military construction?

Could you break down the estimated revenues for the portion of construction up to the IOC date, and the amount planned after the date under your so-called "enhanced program"?

Admiral **Jones**. I have the figure, Mr. Chairman, we think it would be somewhere between $6 and $7 million for the basic program. The amount is zero in 1986, because the 1986 project is land acquisition, and our assumption is there is no tax on the land acquisition or the dredging.

For the balance of the construction in 1987, 1988 and 1989, including the non-appropriated fund construction, it would approach $7 million.

I do not have it for the enhanced program, but I can get that for you. I can provide that for the record, sir.

[The information follows:]

The estimated additional tax for the enhanced program is $3 to $4 million.

Mr. **Hefner**. I understand, and I remember very well that the argument was made here by my staff, and Mr. Coleman and some others, that we considered what was in the national interest on homeporting, but the way I read this, given the amount of taxes we just paid not too long ago, to the State of Washington, it seems to me that they got a pretty good deal.

I can get you some benefits like that in North Carolina. We might not even charge you any tax. I would think that they would really might not need to be that cooperative now.

That is another story, yes. I have some other questions. At this time, I will yield for a couple of questions from Mr. Lowery.

[**Clerks Note**: The following question was submitted by Mr. Hefner:]

EVERETT-ACCESS ROADS

Question. Is the access road required as a part of the basic program to meet the IOC date?

Answer. The essential elements of the access road program will be completed by IOC.

HOMEPORTING

Mr. **Lowery**. Thank you, Mr. Chairman.

We may not even have to spend that money if we put some of those ships in existing ports.

To what degree has the Navy conducted extensive construction cost estimates for each of the home ports?

Admiral **Jones**. I am sorry, sir.

Mr. **Lowery**. Have you conducted detailed, extensive cost estimates in each of the home ports?

Admiral **Jones**. We are in various stages in each of the home port sites, sir. We have a master plan for Staten Island completed in the draft form, now in Washington DC for comments.

We have final plans and specifications on the 1986 program. We are well along in design on the 1987 program, so those are hard cost estimates based on engineering design for all the projects in Staten Island.

We are starting design on the Staten Island projects for 1988. Everett is on a cycle one year later. The FY87 Everett projects are 35 percent and beyond. We are starting up on the 1988 program for Everett.

Mr. **Lowery**. What do you see in those costs compared to initial estimates?

Admiral **Jones**. We are holding pretty good. There are some changes but generally within the basic program that the Secretary identified, we are able to do those projects for those dollars.

Mr. **Lowery**. That does not include the enhanced program?

Admiral **Jones**. No, sir.

NON-APPROPRIATED FUNDS FOR HOME PORTS

Mr. **Lowery**. Do you have anything in mind beyond the enhanced program?

Admiral **Jones**. Only for non-appropriated fund projects, as I mentioned a while ago. For instance, at New York, from memory, there is $24 million from 1987 through 1989 for non-appropriated fund projects, which includes combined clubs, Navy lodge, Navy exchange, bowling alley, a credit union facility.

At Everett, Washington, there is a $29 million program from fiscal year 1988 through 1991, with much the same facilities. We have some recreational, morale welfare and recreation type infrastructure at Ft. Wadsworth in New York and Sand Point in Seattle that will be providing support.

Mr. **Lowery**. The additional costs for non-appropriated at Everett?

Admiral **Jones**. $29 million. In New York, $24 million.

Mr. **Arny**. Sir, that is not included in the basic.

Admiral **Jones**. Not in basic Milcon. Those are things that we need to do, that the fleet commanders want us to do.

Mr. **Lowery**. They were included in the initial estimates?

Admiral **Jones**. Not in the military construction estimate, sir, because they are funded separately, but some of those projects are considered part of the basic program.

Mr. **Lowery**. It is part of the basic plan? Not in the basic or enhanced, but over and above, is it not?

Admiral **Jones**. It depends on how you want to define basic. The non-appropriated fund numbers are not included in the basic number or the enhanced number for military construction, but they are things that we feel we need to have. They are properly funded with non-appropriated funds.

Mr. LOWERY. For the record, when you respond to that GAO report, I am sure you will hit upon the GAO mentioning that there were additional costs that came out through the Architect and Engineer process, and their estimates were, exceeded $120 million at Staten Island and $65 million at Everett. Could elaborate specifically on that point?

Admiral JONES. I can elaborate a little bit.

Specifically, I am not sure what numbers you talked about, but in general, the GAO report, as mentioned a monent ago, essentially compared apples and oranges.

In the case of Staten Island, they said there are four cost figures for New York, $108 million in May of 1983, $291 million in March of 1985, $397 million in August of 1985, and then your President's budget, which is $188 million for the basic Milcon program.

They said we didn't know what we were doing. Well, basically, if you looked at what we did, some of those numbers included family housing, and our figures showed them to include family housing.

Some did not. Some numbers included non-appropriated fund projects and some did not. Some of those numbers included the second pier which we will never build, and a small basin which we won't build because we don't need it. There was clearly an apples and oranges case in the GAO's numbers. They didn't give adequate treatment to the Navy's cost analysis study which we prepared and submitted to the Congress in November.

LOGISTICS SUPPORT—HOME PORTS

Mr. LOWERY. What extent did the Navy study the logistics needs for the home ports?

Admiral JONES. The decision to study new home ports was made by the CNO in September of 1982. CNO felt that we needed to go into new home ports, and that we ought to be strategically located in the Gulf, in the Northwest, and in the Northeast. Thereafter the so-called Ridge Group went out and made studies in those general areas, and asked the ports in those cities to give us proposals.

We considered the logistic support in all of those areas as part of our selecting the preferred alternative in the Northeast, in the Northwest, and in the Gulf Coast. Such things as ship repair capability, transportation networks, those kinds of considerations were part of the Ridge study. The CNO and the Secretariat considered these factors in arriving at the preferred location for each of those three general strategic areas.

Mr. LOWERY. Will ships have to steam into other ports to get any of their ordnance, or will everything be provided in the home port?

Admiral JONES We have a study on ordnance underway as to how we will handle the ordnance capabilities in the Gulf area that is a separate study. We have the capability of providing ordnance support in the other areas from our existing ordnance depots.

Indian Island in the Northwest is——

Mr. LOWERY. Where is that?

Admiral JONES. It is near Port Townsend, Washington. It is in the State of Washington, not too far from Everett, sir.

Commander **Wynn**. Straight across the Puget Sound from Everett.

Admiral **Jones**. We have an ammunition depot at Earle, New Jersey which is centrally located on the east coast near Staten Island.

The Atlantic Fleet AOEs are not now in Norfolk, and we want to move them to Earle. This is a strategic homeporting issue, but a major safety consideration. We currently homeport the AOEs in Norfolk under waiver with thousands of people working in an explosive safety area. The Navy's decision back in the late seventies was we got to get the AOE's out of Norfolk and into Earle.

We have requested funds this year from this committee. A new pier for Earle is in our program this year.

For the Gulf Coast ports, we can support them from Charleston, as well as Earle and afloat.

Mr. **Lowery**. Thank you, Mr. Chairman.

EVERETT WASHINGTON ENVIRONMENTAL IMPACT STATEMENT

Mr. **Hefner**. I would like to talk about the Environmental Impact Statement.

The final Environmental Impact Statement of June 1985 for Everett Strategic Homeporting has been determined to be deficient and thus requiring a supplemental EIS. Explain the environmental issues that need to be addressed in the supplemental.

Admiral **Jones**. Subsequent to the filing of the EIS in June, and the Secretary's decision in September of 1985, we had ongoing discussions with the Corps of Engineers and the Environmental Protection Agency, and it was the opinion of those two agencies that in order for us to be able to obtain a dredging permit, more extensive analysis of the dredge spoil problem had to be accomplished.

And they felt the proper vehicle for this analysis was a Supplemental Environmental Impact Statement.

Depending on which lawyer you talk to, you could get a different answer. Since the Corps of Engineers has to issue the permit, we decided that is fine, we will go along with that.

The Corps is conducting a Supplemental Environmental Impact Statement, as the lead agency. The final schedule for filing is in October of 1986. A record of decision in November and a dredging permit in December or 1986, all this calendar year. The permit will not be an impediment to executing the 1987 program.

Mr. **Hefner**. You think you have got a deal struck now that will meet the requirements of the EPA and the Corps of Engineers, and you don't anticipate the Corps taking you to court over any environmental issues?

Admiral **Jones**. When we get through the dredging up there, the port of Everett will be a whole lot cleaner and safer.

Mr. **Arny**. Which is not to say we won't be taken to court.

Admiral **Jones**. I think we ae going to be clean on this one, Mr. Chairman.

Mr. **Hefner**. You are going to be clean as a chitterling on that one, right.

[**Clerk's note**.—The following questions were submitted by Mr. Hefner:]

Question. What impact will delay of the permit beyond next Spring have on meeting the IOC date?

Answer. The carrier Nimitz must remain at temporary facilities being provided at NSY Puget Sound without proper shore support, adversely affecting CVSC readiness, as well as disrupting shipyard operations.

Escorts would have to be homeported in either Long Beach or San Diego, both of which are already saturated.,

Married personnel from the Nimitz would probably locate in Everett area in anticipation of new homeport, causing personal hardship in commuting to Puget Sound NSY.

Four of the CVBG ships are reserves. We would be unable to take advantage of reserve personnel to man these ships.

Question. What assurances do you have that the Corps will grant a permit?

Answer. The Corps of Engineers, as part of its permitting process, has decided to perform additional modeling studies, in order to further expand on the dredge disposal methods depicted in the Navy's Environmental Impact Statement. It is not unusual for the Corps to perform additional studies as a part of the permitting process. To date, these modeling studies tend to confirm the Navy's basic assumptions and proposals. It is anticipated that these studies will be complete by late calendar year 1986. We are confident the Corps will grant the permit by December 1986.

[CLERK'S NOTE: This concludes the questions submitted by Mr. Hefner.]

MARINE CORPS CONSTRUCTION PROGRAM

Mr. HEFNER. General Hoar, the Marine Corps military construction program is $44 million over last year's appropriated level. That represents a 19-percent increase, which is rather significant. Could you briefly explain where most of this growth occurs?

General HOAR. Since 1982, we have been our own resource sponsor for military construction. Since then, there has been a continued growth, and that has been a reflection of the Commandant's commitment to quality of life where Marines live and work. This year, we have $94 million in quality of life projects, comprising 34 percent of our total program.

We have a large number of modernization programs, and programs that will support new weapons, most notably the FA/8, AV8B and light armored vehicles, all of which will be coming on line in the next few years.

MARINE CORPS STATION YUMA, ARIZONA REPROGRAMMING REQUESTS

Mr. HEFNER. General Hoar, we have just recently received a reprogramming request of $3.4 million for relocating aircraft gunnery, bombing and rocket ranges at the Marine Corps Station Yuma, Arizona.

I understand that the urgent need for this project is to avoid the potential of a mid-air collision between military aircraft and civilian aircraft. The necessity of this project was first identified by two near-mid-air collisions in August 1984.

Knowing this, why wasn't this project requested as a part of the fiscal year 1986 budget? Why wasn't the project included in the fiscal year 1987 budget?

General **Hoar**. Immediately, we took necessary steps to curtail aviation activity and put an air controller on the eastward side of the base to make sure the safety hazard was contained.

The reason it wasn't in the FY 1986 program was we did not have enough time to go through the design process and put it in the 1986 program. We were going to drive it into the FY 1987 program when the House Armed Services Committee directed that the Secretary consider this project for emergency construction, which indeed has been done.

It is my understanding that it is here in Congress now, and should it be approved, we could award in June.

GULF COAST HOMEPORTING PROJECTS

Mr. **Hefner**. I would like, if you would, concerning homeporting, if you could update the committee on the status of the homeporting projects in the Gulf Coast, and what projects do you expect will be part of next year's military construction program?

And one in particular that comes to mind, Lake Charles.

Mr. **Arny**. Sir, as we have begun the Environmental Impact Statement process, with our contractor on board. One EIS is to be done for the entire Gulf Coast, with separate sections within it for the different locations. We have awarded two master planning contracts one for the Eastern Gulf and one for the Western area.

There will be no Milcon projects for any of the Gulf Coast home ports until 1988.

Mr. **Hefner**. Which one will it be?

Admiral **Jones**. Can we provide that for the record, sir?

Mr. **Arny**. We have it right here.

Admiral **Jones**. I have some total numbers, but not a specific list of the projects. We anticipate that in fiscal year 1988——

Mr. **Hefner**. What do you see on your list for Lake Charles?

Admiral **Jones**. Okay, for Lake Charles, budget estimate is $6.6 million award, which will be offset by $5 million of local funding, $3.5 million of site work, and utilities, which would be offset by $330,000 of local funding, and some operations, maintenance, supply, bachelor housing, and personnel support. I don't have a breakdown among those projects. The subtotal would be worth $5.6 million so that is a grand total of $15.7 million for fiscal year 1988.

FALLON NEVADA—LAND ACQUISITION REPROGRAMMINGS

Mr. **Hefner**. The Navy has requested a reprogramming of $7.75 million to acquire approximately 6,700 acres of land at the Naval Air Station, Fallon, Nevada.

The reason for this request is because of the location of residential property that lies beneath the low-level subsonic aircraft approach corridor and the newly-designated aircraft Supersonic Operations area.

This problem must have been known for some time; therefore, why wasn't this included in the fiscal year 1986 budget? Why isn't it requested in the fiscal year 1987 budget?

Mr. ARNY. The subsonic traffic was a problem that we lived with over time, so the overriding factor that pushed us into a position of offering a voluntary buyout to the citizens of the valley was due to the supersonic operating area.

I went out, took a look at it, and was responsible for preparing the Secretary for this decision. We had begun to consider doing that in the January-February time frame, basically the winter of 1984-1985.

I proposed our plan to the Secretary, and in late winter, early spring of 1985, he then made the decision, but we could not make any announcement under the NEPA rules until the record of decision was made in the June-July time frame. At this point the 1986 budget was already on the Hill, and so, at that time, we applied to the Armed Services Committee under 10 USC 2672a for an urgent acquisition, and attended held hearings on that

And at the same time, we began the paperwork for the urgent reprogramming, so we could try to complete the first phase of acquisition in fiscal year 1986. The supersonic area was put into effect last summer, but we held off on operations in the Dixie Valley area for at least a year.

Mr. HEFNER. Voluntary?

Mr. ARNY. Yes, sir, it was voluntary, and based on our estimates of the maximum time that it might take to buy out the people living on the properties. We do have funds requested in the 1987 budget to buy out land where people might build, but are not living on it.

Mr. HEFNER. Is this a good deal for the landowners?

Mr. ARNY. No, sir, it is not a good deal or a bad deal. We are having some problems with some of the owners, because they want a lot more than we plan to offer.

I personally wrote a three and half-page letter and sent it to every landowner. We ordered two appraisals of every property there. Then we began negotiations based on those appraisals. The appraisals were done by civilian appraisers in Nevada, and offered to hire a third appraiser. We have settled with 11 of the people, 11 of the property owners now.

Mr. HEFNER. How many are there?

Mr. ARNY. Roughly 30 to 40.

Mr. HEFNER. Now, if you settle with those people, and you go back and get third appraisal, are you going to have the potential for litigation from the ones you have already settled with?

Mr. ARNY. No, sir, I only offered where people felt our two appraisals were off, and they were very close. They were civilian appraisals and nobody has taken me up on that offer, and I wrote that letter four, five months ago, so I think they think the appraisals are fair, based on local land values.

It is a voluntary buyout, and we also offered to use a friendly condemnation, where we would agree with individuals or a group of individuals to go into court together on a friendly basis.

We have worked very closely with both the Congressman and Congresswoman and both Senators and kept their staff informed, so that those people understand exactly how we are proceeding.

We have taken them out, toured the area and they know all the people involved, so we are making sure that we have a balance between the taxpayer and the individuals there, and we are trying to maintain that fine line and do right by both sides.

Mr. LOWERY. Like the landowners buying the flight path to begin with?

Mr. ARNY. Some people have owned land back there. Primarily, it is 50 miles from Fallon, and Fallon is not a big town by many people's standards, and it is 50 miles back, in between two mountain ranges, and the people out there primarily are older, retired.

There are a few active farmers, but only a few, and some of them bought out there for retirement purposes, because it is very quiet.

Mr. HEFNER. Not anymore.

Mr. LOWERY. It was.

Mr. ARNY. That was their constant complaint. We have a good base commander out there. I would not have done this through reprogramming had it not been in that regard.

We programmed some in the 1987 budget.

Mr. LOWERY. 50 miles from the runway.

Mr. ARNY. The problem is, on Route 50, cutting across the middle of the State, at the southern end of Dixie Valley, we have a major target complex, live and practice ordnance, and we have an electronic warfare range which can simulate Soviet and Third World operations. The mountains run north, along the edge of the supersonic operating area. Even when I flew in the sixties and seventies, you must fly down that valley.

The residents are 30 miles north of the road, but sometimes you come roaring back down through there at 11,000 feet MSL. They are also getting boomed by the SR-71's as we speak.

Good Time Charlie comes over at about noon every day, 80,000 feet or so. They have an existing noise problem which we have worked around, and are putting the supersonic on top of it.

Mr. LOWERY. I commend you for your sensitivity

[CLERK'S NOTE: The following questions were submitted by Mr. Hefner:]

Question. Would there be legal problems if supersonic operations were to resume?

Answer. If operations commence before residents are given opportunity to sell their property to the government and relocate, there is potential for litigation.

Question. What will be the Navy's plans if this reprogramming is turned down?

Answer. The Navy would have to consider other methods of obtaining funds for this purpose. The mission requirements for conducting supersonic operations over Dixie Valley, starting in August 1986, would have to be assessed against the potential for litigation being instituted by or on behalf of area residents.

Question. Have the residents in this area engaged the Navy in litigation relative to supersonic operations? If so, what has been the result of that litigation?

Answer. Six lawsuits have been brought against the government by or on behalf of local residents regarding supersonic operations in the Fallon area. Four of the lawsuits have been dismissed and two are pending. Many of the issues in the dismissed lawsuits have been incorporated in the pending lawsuits.

[CLERK'S NOTE: This concludes Mr. Hefner's questions.]

NAVAL SHIPYARD, MARE ISLAND

Mr. **Hefner**. In last year's conference report, the Navy was urged to submit a reprogramming request in connection with the Navy's share of cost to correct a sewage treatment permit violation at the Naval Shipyard Mare Island. What is the status of this reprogramming?

Our understanding is that construction has begun and that the Vallejo Sanitation District is making the first payment. Under what arrangement has the Navy agreed to share in the cost of construction with the Vallejo Sanitation District? Pay the cost upfront, during construction or after construction?

Admiral **Jones**. Our negotiations with the local sanitation district are still ongoing. We won't know how much money we will owe them until later this spring. This is timely for us to put that request in our fiscal year 1988 program. That is what we currently intend to do, sir.

Mr. **Hefner**. Would including the funds in the fiscal year 1988 program be too late? Wouldn't the Vallejo Sanitation District object to any delay in payment?

Admiral **Jones**. They might object, sir, but it is not unusual for a Navy's fair share to be provided after construction start or even after construction completion, for that matter.

Mr. **Hefner**. Okay.

Admiral **Jones**. We think that the 1988 program is responsive, timely, and we will have a good firm estimate of costs this spring, and we intend to put that project in the 1988 program.

[**Clerk's note**. A question submitted by Mr. Hefner follows:]

Question. If you are not going to request these funds through a reprogramming request, why weren't the funds requested in the fiscal year 1987 budget?

Answer. Navy negotiations with the Vallejo Sanitation and Flood Control District are still ongoing and will not be complete until early this summer, 1986. Part of these negotiations is to determine Navy's fair share of the construction (connection charge) based on Navy's projected sewerage as a percent of the total system. We do not normally program a project until these negotiations are complete.

WASHINGTON NAVY YARD

Mr. **Hefner**. Last year, the conference report for military construction required the Navy to reevaluate their master plan at the Washington Navy Yard using new long-term lease rates and to report its findings to the committee by Janauary 30, 1986.

To date, we have not received that report. What is the status of the report?

Are the lease rates in Crystal City going up or down, and by how much?

Mr. **Arny**. The lease rates are not going up to the extent we expected.

However, we believe that even at the lower rates, they will be higher than what we would like to see. We are formulating a plan, and I personally am working on it, in which are are looking at other alternatives that include use of the Washington Navy Yard.

We have programs funded in there, and we are working on other alternatives. This spring and summer we will be conducting negotiations with the major tenants in Crystal City to hammer down the lease rates.

We must get long-term lower lease rates or look at other alternatives.

Mr. HEFNER. Like the answers I give at town meetings.

Mr. ARNY. Well, this is one that I——

Mr. HEFNER. I understand.

Mr. ARNY. When I came on board, Mr. Pyatt had been the principal deputy for seven of the eight previous years, and when he took over as Assistant Secretary, I asked what he wanted me to do. He said, "you are going to be responsible for all internal personnel problems that have been a major long-standing problem," and he said, "you will have the Washington Navy Yard," and I said that shouldn't be a real difficult problem, but it is.

Mr. HEFNER. He understood the political realities of vacating lease space in Virginia. I think the Washington Nary Yard has to be regarded as a valuable asset, and should be used to its full potential.

We are looking at all sorts of ways to save money, and it is not unique for people to have to make concessions. If I were a landlord in Crystal City, I would like the situation we have here.

Mr. ARNY. In terms of the Washington Navy Yard, we have already pulled in the Military Sealift Command, which was in leased space and we are pulling some other commands slowly, as we rehab the spaces in the Navy Yard.

We also have programs with GSA, in that they have a master plan, and we are trying to get Building 197 back from them to renovate that, so we can use it for Navy space. We have over 2 million square feet in Crystal City just for Navy.

That is a fairly large weapon—and there is another 2 million square feet due to contractors that are responsive to the Navy, so when I begin the negotiations this spring, we will have some visible alternatives so we are not a captive. We are looking very closely at alternatives around the area.

Mr. LOWERY. How much capacity do you have in the Navy Yard?

Captain FERMO. 600,000 square feet within the Navy Yard.

Mr. LOWERY. How much is utilized currently?

Mr. HEFNER. That is how much you have available?

Captain FERMO. That is the amount available for future redevelopment for additional activities to go into the Navy Yard.

Mr. LOWERY. Over and above those you are already doing?

Mr. ARNY. Yes, 600,000 square feet of a total amount of 1,880,000 square feet is available for redevelopment. We plan on using that, and we have budgeted funds to do that, but not only do we have Crystal City we have other locations around the Washington area that will be going in there.

The Crystal City is 2 million square feet by itself.

Admiral JONES. Substantial projects are under design for the 1988 program, in the order of magnitude of $28 million.

[CLERK'S NOTE: The following questions were submitted by Mr. Hefner:]

Question. How many Department of the Navy personnel are located in leased space in Crystal City?

Answer. Approximately 15,000 personnel in Crystal City.

Question. What is the total annual cost to the Navy of leasing facilities at Crystal City.

Answer. Annual Navy cost is $39.7 million, paid to General Services Administration.

Question. What are the conclusions in your report? Is it more feasible to relocate out of leased space?

Answer. Rental rates are still rising, though at a decreased rate from the original estimates and economic analysis. It is still cost effective to make maximum beneficial use of the historic, Government owned space at the Navy Yard. The best use is still considered to be office space to reduce the amount of high cost leasing.

[CLERK'S NOTE: This concludes the questions submitted by Mr. Hefner:]

CHILD CARE CENTERS—THIRD PARTY FINANCING

Mr. HEFNER. I have one more question regarding the child care centers. The Navy has not requested funds for any child care center, but are about to request proposals for third-party contracting at two locations.

Why is the Navy pursuing third party contracting of child care centers when the Army's test case last year proved to be unsuccessful?

Admiral JONES. The House Armed Services Committee directed each service to have a cut at it, to make a try. We lost five of six child care centers in the 1986 program, and we have not yet made a try at third-party financing. The Army was working on theirs, and we were developing our RFP a little bit behind the Army.

Mr. HEFNER. Are you going to do it differently from them?

Admiral JONES. Yes, sir, we certainly are.

Mr. HEFNER. If you are not successful, is the Air Force going to take their turn?

Admiral JONES. If ours is not successful, we are going to come back with child care centers next year. We have a hard requirement for them. We desperately need child care centers, and we have lost a couple of years and can tick off 25 locations in the five-year plan where we would like to have child care centers. We must find a way to get them.

I hope that by early summer, we will know whether our try at third-party financing is going to sink or swim. We are optimistic.

A year ago, I would have said it is a mess. It is hard to do, but we have learned some lessons from the Army. I believe we have a better than 50-50 chance of having a successful project this summer, and if we do, that is wonderful.

If we can pull that off, we will solve our problem a whole lot sooner than we will with Milcon.

Mr. HEFNER. Can you provide for the record some of the things you are going to do that the Army didn't do?

Admiral JONES. Yes, sir.

[The information follows:]

Navy's test will attempt a franchise as opposed to a procurement to obtain child care services on base for military dependents. The franchise will permit the industry to bring to bear its entrepreneural and child care expertise for delivery of quality and affordable services to base personnel. The Navy's Request for Proposal will identify Navy's minimum child care requirements and services and request the industry to make proposals on how best to satisfy those requirements at affordable rates.

Mr. LOWERY. What is the source of the funding you are looking at?

Admiral JONES. Fees. The third party would build a building, operate it, provide the service to the Navy dependents who want to put their children in there, and the charge for the family will defray the cost.

Mr. LOWERY. Both construction costs and the operating costs.

Admiral JONES. Franchised on the base for long-term. We are not sure how successful it will be. We have not totally addressed the issue of subsidy, for instance.

Right now, we feel that the fees that are charged in our Navy-owned and operated child care centers pay for about 67 percent of the cost of operating that facility with no debt service. Appropriated funds support the balance. Appropriated funds are used for structural repair, maintenance, utilities and the salary of the director. We have a range of user fees in the Navy. We are not sure what kind of response we might get.

Maybe the private sector can do it a lot cheaper than we can. We want to see what can happen. In fact, the first step will be a preproposal conference, which we will be having in the next six weeks.

Mr. LOWERY. Day care centers have been closing in California, and I wouldn't be surprised if it was because of insurance liability. I don't know how you are going to get over that one.

Mr. ARNY. There is more and more litigation. We are all going to face a liability problem. I am the treasurer of a high school booster association, and they dropped our spectator liability. We were paying $130 a year, in case one of our boats happened to hit a spectator and in turn sued us. $130 bucks a year, and they still dropped us. I have been looking now for four weeks, and I finally got one——

Mr. HEFNER. For what?

Mr. ARNY. Rowing, crew, just for a spectator, I finally found a quote, at $245 a year.

Mr. HEFNER. Do you know what Frank Howard said, anybody that sat on their rear end and went backwards was no sport, anyway.

Mr. ARNY. It is easier on your knees.

[CLERK'S NOTE: The following questions were submitted by Mr. Hefner:]

Question. What two sites are being considered and why were they chosen?

Answer. The two sites chosen are NS San Diego, with the child care center physically located in the Murphy Canyon family housing area, and MCAGCC Twentynine Palms. NS San Diego was chosen to test the market conditions in a metropolitan area while MCAGCC Twentynine Palms was chosen to test the market in a relatively remote location.

HOMEPORTING COST

Question. What is the Navy's estimate of total cost for all homeporting sites? That is, the total cost to make each port a complete facility and not just the costs needed to established an initial operating capability.

Answer. The costs associated with the initial operating capability (IOC) are for those facilities necessary to provide a full and complete operational naval station. Costs beyond the IOC are those costs associated with the "Enhanced" program and represent desirable but not essential projects that must compete in the normal military construction programming process of the Navy. Depending on the priorities of projects for other naval activities, the "Enhanced" program may or may not be constructed.

The total "Enhanced" costs for New York, Everett, the Gulf Coast and the West Coast homeporting is $1,021 million, including, where appropriate, Non-Appropriated Funds and family housing. In comparison, the total estimated enhanced costs for homeporting in existing ports is $734 million, a delta of $287 million.

Question. GAO has questioned the adequacy of the cost estimates indicating that additional costs for Staten Island and Everett alone could exceed $185 million. What is the Navy's response to this?

Answer. The costs associated with the IOC at Staten Island and Everett are $188 million and $272 million respectively. These costs will provide for complete facilities to support the ships homeported at these sites. Costs associated with the "Enhanced" program are $305 million for Staten Island and $377 million for Everett. All projects indentified beyond IOC are those which are desirable but not essential, associated with the full development of the Master Plan, and must compete with all other naval activity projects in the normal military construction programming process.

Question. GAO report claimed that reduced steaming time was not sufficient to justify the added cost of dispersal. They cited an example that a gulf coast carrier group may be needed in the North Atlantic to ensure Soviet containment. How does the Navy respond to the steaming time issue?

Answer. The potential for reduced transit times to possible contingency areas with strategic homeporting is significant due to dispersal to new homeports in the Northeast, Northwest, and Gulf Coast. Beyond the contingency of a major war, are other so-called "lesse contingencies" in which Naval Forces are dispatched by the National Command Authority. In all such cases, rapidity of response with ready battleforces is the critical ingredient of success. In relative terms, several days less transit time plus eliminating the delay associated with waiting to rendezvous with non-collocated escorts, can be crucial to the outcome of the effort. but response time to potential contingency areas is more than just a function of transit times. Consideration also must be given to what battlegroups might be in other homeports (e.g., the closest available East Coast battlegroup to a Caribbean contingency may be in Norfolk at the time if none are homeported on the Gulf Coast), weather conditions that might hamper the timely availability of battleforces located outside of the contingency area, as well as the availability of escorts. Homeporting on the Gulf Coast provides enormous flexibility to our military options and increases the potential for reduced response times to these regions. even if a contingency arose in the

North Atlantic, CINCLANTFLT stated he would retain a CVBG in the Gulf for at least 30 days to ensure supply lines in the Gulf were not in jeopardy.

The benefits of strategic homeporting are not limited to reduced contingency response times. The spreading of the fleet to new homeports: avoids overcrowding our existing homeports; decreases the vulnerability of our ships in port; increases readiness and training through colocation of our battle forces; improves our active and reserve recruiting through placement in demographically attractive areas; and exploits and enhances the existing industrial capability.

STATEN ISLAND HOMEPORTING

Question. Last year, this Committee appropriated funds in the amount of $39.7 million for a pier and bulkhead at the Staten Island homeport sites. This Committee chose to appropriate these funds even though the Administration failed to request the funds and despite the fact that the authorization committees failed to authorize this project. The Committee was able to appropriate these funds not only because of the hard work of Joe Addabbo but also because we understood that this funding was critical to the Navy's ability to meet its IOC date. Now we understand that these funds have been held up based on a gentlemen's agreement between Secretary Lehman and Senator Thurmond. What is the status of this agreement? When will the Navy proceed with award of this project?

Answer. The Navy intends to proceed shortly with competitive advertisements for various construction projects at Staten Island. However, in response to a request from Senators Goldwater and Nunn to Secretary Weinberger, the Navy has agreed to not obligate, before mid-April, any FY 86 funds appropriated, to enable the Senate Armed Services Committee to complete their review of the Navy's homeporting initiative.

Question. There are several other projects funded for Staten Island. Are you proceeding with obligating those funds? If so, why is the pier and bulkhead project being held up?

Answer. The Navy intends to proceed shortly with competitive advertisements for various construction projects at Staten Island. However, in response to a request from Senators Goldwater and Nunn to Secretary Weinberger, the Navy has agreed to not obligate, before mid-April, any FY 86 funds appropriated, to enable the Senate Armed Services Committee to complete their review of the Navy's homeporting initiative.

HOMEPORTING COST CEILINGS

Question. Your report on Strategic Homeporting shows that the total programmed costs for the so-called basic program for New York and Everett are $235 million and $272 million respectively. Our understanding is that you are directed by the Secretary to stay within those programmed costs. Is that true?

Answer. The basic program costs for New York and Everett are $188 million and $272 million. The New York costs, based on the total of Military Construction, Non-Appropriated Funds and

Family Housing is $235 million. No family housing construction is required in Everett. These costs represent the latest estimates of the projects. However, if future project cost estimates should change, based on new costing data, the new costs will be reported to the Congress.

Question. How are you going to discipline yourselves to stay within these ceilings?

Answer. We plan to use many management techniques including requiring firm scope definitions before design starts, packaging A/E work to minimize conflicts, value engineering to identify possible savings, and exercising stringent control to user changes during design and construction.

NAVY MILITARY CONSTRUCTION BUDGET

Question. Gentlemen, I would like to make it clear for the record if I may, on just how much growth is in the Navy military construction budget. Admiral Jones, you quote a figure of 6.4 percent increase. However, according to our numbers, when you separate the medical portion, which has been transferred to OSD Health Affairs, the increase is more like 10 percent. That translates into 6 percent real growth. Would you basically agree with that?

Answer. If the $42,900,000 of Navy medical facilities that are in the OSD Health Affairs Program were in the Navy program and if the projects which are now in the Navy program remained if this had occurred, the new Navy Military Construction budget would be $1,857,000,000 or an 8.9 percent increase from that funded last year. This represents a 5.1 percent real growth.

FISCAL YEAR 1985 UNAWARDED PROJECTS

Question. Over 80 projects funded in fiscal year 1985 were not awarded in that year. In most cases, bids were rejected and the projects were redesigned to reduce costs. Explain why there was an inordinately high number of projects in fiscal year 1985.

Answer. Many factors influenced execution of the FY 1985 MCON program. Projects were priced more tightly to achieve maximum number of projects within available dollars. Competition was poorer. Fewer bids were received (an average of 6.7 compared to 8.6 in FY 1984 and 10.5 in FY 1983) resulting in higher costs per project. Due to our tight funded cash position we took positive management action to avoid numerous reprogrammings and redesigned over 40 projects that otherwise would have exceeded our internal reprogramming authority. It is not uncommon to have 30-40 projects unawarded at the end of the fiscal year. When the final design packages are reviewed—and even after bids have been advertised—minor problems often are discovered in the projects which if uncorrected would cost the government extra money. In these cases it is often better to delay awards into the next year and to correct the problems before contracts are awarded.

Question. How many fiscal year 1986 projects do you expect to redesign?

Answer. We expect to redesign between 20 and 25 projects during FY 86.

Question. Do you expect to come back to the Committee for reprogramming approvals on certain projects?

Answer. Yes. Due to Gramm/Rudman cuts and the change to reprogramming thresholds, we will be requesting additional reprogrammings.

USE OF SEABEES FOR CONSTRUCTION

Question. There are many parts of the world where construction performed by the Seabees rather than by contract would be more economical. Are there projects in the fiscal year 1987 which can be constructed at significantly less cost by the Seabees?

Answer. Yes. Seabees can and have been utilized for construction of projects located overseas; for example, in Japan, Guam, the Philippines, Europe and the Caribbean, provided they possess the time and capability to do so. We intend to use Seabees to construct a portion of their new camp at Subic Bay in FY 87.

Question. What are the basic reasons why projects aren't built by Seabees where there is a capability and where significant savings can be realized?

Answer. The Naval Construction force is fully employed now with a long range operational program of carefully selected projects based on training benefits, type of construction, and project completion requirements. Large scale, technically-difficult projects that must meet mission IOC's are normally not suitable for Seabee accomplishment.

Question. Are there any projects in the fiscal year 1987 budget that will utilize the Seabees?

Answer. Yes. We intend to utilize Seabees for a portion of the construction of the Seabee camp at Subic Bay (paving and erection of metal buildings). Additional use of Seabees for military construction projects has not been planned as the Seabees are expected to be fully utilized on smaller construction projects which are funded with operation and maintenance funds and are more suited to the Seabees capabilities and training requirements.

COMMISSARIES AND EXCHANGES

Question. Does the Navy plan to build commissaries and exchanges at each of the new homeporting sites? If so, how does construction fit within the requirements of Section 8056 of fiscal year 1986 Defense Bill which restricts the use of funds to operate in excess of 247 commissaries in the contiguous United States?

Answer. The Navy plans to build exchange facilities at Staten Island, Everett, Corpus Cristi, Pascagoula, and Mobile. The Navy may ultimately program a commissary at Everett to replace the existing commissary at Naval Station Seattle (Sand Point) which currently supports the Everett Region. This new commissary, if ever programmed, will not exceed the limitation of 247 commissaries, since the Navy would close the existing commissary at Sand Point. The remaining new homeport sites will not require additional commissaries or exchanges.

Question. What is the Navy's policy regarding the use of appropriated funds for building commissaries and exchanges at each of the planned homeporting sites?

Answer. The Navy's policy is the same as that of Congress to construct commissaries and exchanges with nonappropriated funds.

NAVAL AIR STATION, MEMPHIS

Question. Are there any projects in the fiscal year 1987 program that are the result of Navy plans to relocate missions or programs from Naval Air Station, Memphis or Naval Regional Center, Memphis?

Answer. No FY 87 projects to relocate anything out of Memphis. Projects requested for Memphis essential to on-going programs.

BASE CLOSURES

Question. The Secretary of Defense has recommended, as part of its base closure plan, the closure of the Naval Hospital at Philadelphia, Pennsylvania. Why was the Naval Hospital at Philadelphia chosen as a candidate for closure?

Answer. The Naval Hospital at Philadelphia was chosen as a candidate for closure because it is possible to render medical care in an alternate manner and because of the rapid economic payback of one-year associated with closure action. A significant portion of the one-time savings is the estimated proceeds to be derived from sale of the property. Additional savings would result from not having to replace the existing hospital.

The existing hospital structure is over 50 years old and has serious deficiencies in the heating, ventilating and air conditioning, plumbing, electrical power, fire protection and medical gas systems. The upper nine floors of the tower structure are not used for medical care functions since they do not meet life safety codes.

NEW INITIATIVES AND MISSIONS

Question. The Navy's Fiscal Year 1987 program for new initiatives such as Kings Bay, new homeporting sites, relocation at Naples and over-the-horizon radar represents about 25 percent of the budget. The combined total commitment of these initiatives could vary between $1.5 billion and $2.0 billion over the next five years. What is the Navy's estimate of total cost?

Answer. Total estimated costs of Military Construction required to complete the programs cited plus the new AV-8B and F/A-18 programs, including the FY 1987 and remaining total commitments to these programs, is $1.6 billion. Completion of other on-going programs is not included in the above estimate.

Question. If the Navy were to hold to no-growth level over the next five years, how much of the Navy military construction budget would be represented by these initiatives?

Answer. The Navy and Marine Corps Military Construction requests for FY 1987 total $1.8 billion. Assuming level funding through FY 1991, completion of the initiatives cited in the previous question represents 18 percent of the five year period total.

NAVY PRIORITIES

Question. It is reasonable to assume that this Committee will be mandated to reduce the President's military construction budget request because of the Gramm-Rudman-Hollings deficit targets. Will the Navy and the Marine Corps be prepared to discuss it's priorities in case reductions need to be made?

Answer. The President's budget reflects a balanced program crafted to not exceed deficit targets mandated by the Balanced Budget On Emergency Deficit Control Act of 1985. Only top priority projects remain in the President's budget and reductions to achieve additional deficit reductions are not envisioned.

BRIGS

Question. The Navy is requesting $47 million for 5 brigs throughout the United States. How may brigs does the Navy have throughout the United States. How many brigs does the Navy have programmed in the outyears and what is the outyear estimated cost?

Answer. Future requirements for brig construction to implement the Navy's new penal system include an additional consolidated brig, eight replacement waterfront brigs and life safety improvements to three existing brigs which will then serve as waterfront brigs. Total estimated cost for these additional facilities is approximately $50 million.

Question. Explain why the consolidated brig at Miramar would cost $22.5 million while the consolidated brig at Charleston would cost $16.5 million.

Answer. The primary reason for the different in cost between the two sites is due to the different Area Cost Factors (ACF) for each location. The ACF for Miramar is 1.18; for Charleston, it is .81.

KANEOHE BAY, HI

Question. Project Number P-496, Company and Battery Operations Center indicates that headquarters are located within bachelor enlisted quarters scheduled for modernization. When is the Barracks modernization programmed for funding and construction?

Answer. The enlisted quarters to be modernized have been proposed for funding as project P-432 in the FY 1987 budget.

CAMP H.M. SMITH, HI

Question. What are the Marine Corp's plans once the 187 acres of land are purchased? Can the land be made ordnance free?

Answer. Once purchased, the 187 acres of land will be fenced. The cost of the 8 foot high chain link fence is reflected in the project cost. The land cannot be certified ordnance free.

TACAMO SUPPORT COMPLEX, BARBERS POINT, HAWAII

Question. Almost one-half of the costs for the Tacamo Support Complex are for support facilities. Justify why it costs $3.5 million for paving site improvements, relocation and demolition.

Answer. This project has utility requirements which overtax available utilities requiring new supporting utilities. Therefore, utility costs are higher than normal because we cannot simply tap into existing utilities at the site. The security requirements for this project include fencing, lighting, guard house and intrusion detection systems and are higher than normal because of the large area and sensitivity of this project. The size of the area needed and its location requires relocation of existing functions critical to the overall mission (combat aircraft parking apron, and compass calibration pad). The new aircraft supported by this project also necessitate increases in supporting facilities such as enlarged washrack, and increased paving area for the new larger aircraft.

AMMUNITION PIER AND TRESTLE, EARLE, NEW JERSEY

Question. What other locations along the east coast were considered for the relocation of the two fast combat support ships (AOE's) currently located at Norfolk?

Answer. Dialogue between ASD (I&L) and ASN (I&L) regarding the homeporting and berthing of ammunition cargo ships (AE's and AOE's) had its beginning in the mid-1960's. In late 1969, the Navy was directed to undertake the first of three studies of the problem and to report on the nature and extent of hazards involved and the measures available for reducing or eliminating them. The first study was completed in July 1971 and identified criteria for developing homeporting facilities at Navy coastal ammunition activities.

In December 1971, ASD (I&L) directed an expansion of the first study, to definitize facilities required at Navy activities and to examine all possibilities for providing ammunition ship homeports affording adequate isolation from centers of population. Originally, the expanded study considered 119 sites which were reduced to 74 as the study progressed. The west coast alternatives were reduced to four possibilities and the east coast location were reduced to eight possibilities.

The final decisions for both coasts were reached after a series of staff meetings. By his memorandum of 17 July 1974, ASD (I&L), announced the approved plan. On the east coast, three AE's were to be homeported at NWS Earle, NJ; two AE's were to be moved to Charleston, SC; and the two AOE's were to remain at Norfolk. At the end of four years, the status of the two AOE's was to be again reviewed.

It was obvious from the earlier studies that Weapons Stations Earle, NJ and Yorktown, VA were the only reasonable alternatives for east coast AOE homeports. In 1976–77 the "Milestone 40" study was made for CNO to decide between the two. The study showed Earle to be superior operationally and with respect to explosive safety considerations. In February 1977, after extensive review, CNO chose Earle as the preferred alternative for homeporting of two AOE's. Subsequently, an environmental impact statement was prepared and a Navy record of decision rendered.

Question. Why was Earle chosen above any other site?

Answer. Earle has unique, superior explosives safety protection in the form of a two-mile long, existing pier projecting into Sandy Hook Bay. There are neither existing inhabited buildings nor the possibility of any in the future that could be hazarded by ammunition ships using the pier. The adjacent major Naval Weapons Station affords ammunition storage and handling facilities. The Earle piers are close to the open ocean. Dredging, while a significant cost at Earle or any other port, owing to the AOE's draft of 39 feet full-load, are less at Earle than at alternate east coast locations.

Question. Why is the project required now when the newly constructed AOE's will not enter the fleet until the 1990's

Answer. First, the proposed construction program at Earle will require about three years to complete.

Second, the requirement for the new pier is driven by, but not dependent upon the newly constructed AOE. The new pier is required for long-term homeport berthing for the two existing Atlantic Fleet AOE's FY 84 Emergency Construction authority reprogrammed $12.6M for "minimum essential" facilities at Earle to effect change of homeport from Norfolk for the two AOE's. These facilities were intended to provide an interim fix only, while determining the lower cost alternative for a long-term solution.

The interim facilities are unsatisfactory over the long-term for homeporting the existing AOE's because the present depth of water (36 ft.) restricts AOE to one-fourth of its fuel load. An AOE would have to take-on balance of fuel either at fuel depot or at sea prior to joining carrier which is operationally unsatisfactory for all contingencies. Adequate depth cannot be dredged alongside this pier due to inadequate length of existing pilings.

Also, Berthing AOE on Pier 2 displaces one AE berth for which there is no replacement. Arrival at Earle of the third AOE in 1991 will present an impossible berthing scenario. It is likely that two AOE's and two AE's will be in port simultaneously when three AOE's are homeported at Earle.

PROJECTS THAT ARE NO LONGER REQUIRED

Question. What projects included in the fiscal year 1987 request have you determined are no longer required in fiscal year 1987?

Answer. All Navy military construction projects in the FY 1987 budget submission remain valid requirements, with the exception of: P-952 AFWTF Roosevelt Roads PR Land Acquisition $195,000; P-139, NSB Bangor, Sewerage System $400,000; P-908, FCTCLANT Dam Neck, Electrical Distribution $820,000; and P-247, NAS Meridian, Physical Security Improvement $250,000.

Question. What projects do have the capability for initiation of construction in fiscal year 1987?

Answer. We anticipate being able to initiate construction during FY87 on all projects in the FY87 program except those identified as being no longer required.

PROJECT DESIGN LEVEL

Question. Provide for the record a listing of fiscal year 1987 projects that are not at the 35 percent design level as of February 1, 1986.

Answer. The following projects were not at the 35% design level as of 1 February 1986:

	Program
White House support complex, CND Washington	$24,500,000
Midway Research Center, Quantico, VA	1,500,000
Airfield pavements, NAS meridian	3,200,000
Magazines, classified location	15,700,000

All of these projects can be awarded in fiscal year 1987.

EXPIRED FUNDS

Question. Provide for the record the amount of funds that are expected to expire by the end of fiscal year 1986.

Answer. At the present time the Navy does not expect to have any expiring monies at the end of fiscal year 1986.

PACKAGING OF PROJECTS

Question. List for the record the projects in the fiscal year 1987 budget that are planned for packaging.

Answer. The following fiscal year 1987 projects are currently planned to be packaged.

1987 A/E. PACKAGING

P-No—Location/Description	*PA*
863—Cherry Point, NC MCAS/Aircrew Trng Deg Debrief Fac	$3,730,000
764—Cherry Point, NC MCAS/Operational Trainer Facility	980,000

1987 DESIGN & CONSTRUCTION PACKAGING

688—Camp Pendleton, CA MCB/Combat Vehicle Maint Shop	4,400,000
689—Camp Pendleton, CA MCB/Battalion Operations Center	1,100,000
690—Camp Pendleton, CA MCB/Communications Support Storhse	2,700,000
920—Adak, AL NAS/Operational Support Facilities	24,400,000
921—Adak, AL NAS/Electronic Installation (FY88)	64,000,000
757—Roosevelt Roads NS/Range Ops Ctr	4,220,000
427—Roosevelt Roads NS/Security Improvements	2,360,000
425—Roosevelt Roads NS/CB Maintenance Facility	3,930,000

1987 CONSTRUCTION PACKAGING

141—Kings Bay NSB, GA/SWS Second Level Maint Shop	3,930,000
171—Kings Bay NSB, GA/Refit Support Facility	2,950,000
262—Kings Bay NSB, GA/Refit Wharf	23,500,000
131—NSB Kings Bay, GA/Drydock:	
Authorized in 1986	125,600,000
Appropriated in 1986	40,000,000
Requested 1987	45,450,000
Requested 1988	24,300,000
207—NSB Kings Bay GA/Dredging:	
Requested in 1987	50,400,000
Requested in 1988	45,600,000

The FY87 Dredging will involve three separate contracts which will have opitons to be executed when FY88 funds are appropriated.

DESIGN & CONSTRUCTION EVERRET, WA

	1987	1988
Contract A:		
121—Pier	$35,000,000	$20,000,000
906—Dredging	12,7000,000	9,900,000
112—Dredging		8,800,000
Contract B:		
116—Utilities	17,500,000	15,500,000
Site Improvements	14,400,000	

ARCHITECTURAL FABRIC

Question. List the projects in the fiscal year 1987 budget that will utilize architectural fabric technology.

Answer. The Navy plans to use an Architectural Fabric Structure for the Water Treatment Facility, Naval Air Station, Whidbey Island, Washington. The programmed amount is $700,000. Primary scope of work is to cover two potable water reservoirs-approximately 46,000 sq.ft. Roof portion is $600,000. Contract award is scheduled for December 1986.

KINGS BAY, GA—DRYDOCK

Question. Last year, the Navy requested $125.6 million for the drydock facility and the Congress appropriated only $40 million in connection with the first increment. The fiscal year 1987 request is for $45.5 million while the fiscal year 1988 cost is programmed to be $24.3 million. The combined total of these 3 increments is $109.8 million which is considerably less than the original request. What is the difference attributed to?

Answer. The current working estimate for this project is $112 million which is 10% below the authorized amount. The FY88 programmed amount will be adjusted to reflect the cost of the third and final phase of this project just before it is submitted to the Congress. The reduced estimate for this large and complex construction effort is due to better than expected bids. The low bids are attributed to several factors:

a. Good competition—The Navy pursued a vigorous marketing effort, mandated by the Competition in Contracting Act, and 11 bids were received with the lowest three bidders being within 1.5% of each other.

b. Low material prices—A recent "softening" of the steel market resulted in lower costs for structural steel than was originally forecast.

c. Reduced uncertainty—The dewatering method to be used during excavation and construction of the drydock was specified in the plans and specifications. This eliminated a significant uncertainty by leaving the liability for this part of the project with the designer.

KINGS BAY, GA—BID PERFORMANCE

Question. Provide for the record the current working estimate based on bids as compared with fiscal year 1986 programmed amount for each project at Kings Bay.

Answer. We have opened bids and awarded the following FY86 projects at NSB, Kings Bay:

[In thousands of dollars]

Project No.	Project title	Appropriated amount	Reduced G-R-H amount	CWE
125	Tender mooring/lay berths	23,500	22,347	26,000
132	Drydock	40,000	38,038	39,000
134	Explosives handling wharf	39,010	37,097	39,600
166	Utilities and site improvements	30,000	28,529	29,500

[In thousands of dollars]

Project No.	Project title	Appropriated amount	Reduced G-R-H amount	CWE
170	Controlled industrial facilities	7,550	7,180	8,180
289	Strategic weapons magazines	12,400	11,792	10,400
312	Strategic weapons facilities	81,360	77,370	74,700
374	Consol personnel support facilities	3,230	3,072	3,600
393	Hull shops	12,100	11,507	11,200
409	Communications antenna facilities	1,670	1,588	1,430
423	Dredging	22,200	21,111	22,100

KINGS BAY, GA—DRYDOCK

Question. The programmed dredging costs for fiscal years 1987 and 1988 are higher than were estimated a year ago by about $13 million. Explain the reason for this increase.

Answer. A year ago the FY86 DD1390 included among the "future projects" an FY87 dredging project for $64 million (the programmed amount for FY88 projects, including dredging, was not shown). This year the FY87 dredging project, P-207, is included in the program at $50.4 million, which is a decrease of about $14 million compared to the DD1390 from the previous year. This year's DD1390 indicates an FY88 dredging project for $77 million. A final channel dredging project in FY88 has always been part of the total dredging plan, and does not, by itself, represent an increase in the dredging program.

EVERETT VS. BREMERTON

Question. We understand that the Navy plans to temporarily homeport the *Nimitz* Carrier along with several other support ships at Bremerton until the Everett homeport construction is complete. Is there any truth to the rumor that the Navy is considering Bremerton to be an alternate site because of the problems and costs associated with Everett?

Answer. Only the *Nimitz* is being considered for temporary Homeporting at the Bremerton shipyard. The Navy is not considering Bremerton as an alternate site to Everett. Bremerton was evaluated during the site evaluation process and found to be more costly and operationally unsatisfactory for a carrier battlegroup.

[CLERK'S NOTE: This concludes Mr. Hefner's questions.]

[CLERK'S NOTE: The following questions were submitted by Mr. Lowery:]

RESPONSE TIME

Question. During major conflicts, the GAO states that the Staten Island battleship group and the Everett carrier group would never be deployed independently into a potential major conflict area. It appears that these groups would have to rendezvous with ships from other homeports before proceeding to a major conflict area. What impact will this have on steaming time of ships to potential conflict areas?

Answer. GAO has misstated facts as presented by the Navy. CINCPACFLT stated in writing to GAO that . . . "BB SAGs will usually operate independently . . . For brief periods of time, they may supplement or complement a CVBG or CVBF". What the Fleet Commander did say was, "A BB SAG would never be deployed independently without appropriate air cover, land or sea based." A review of the New Jersey BB SAG deployment schedule since it was recommissioned in 1983 reveals that it has always deployed independently.

CINCLANTFLT also stated in writing to GAO that, "BB SAGs will operate independently in peacetime and may be used in conjunction with CVBGs in wartime. Estimate 85% independent operation/15% CVBG support OPS. Land based air cover will determine independent operations areas." A review of the IOWA BB SAG schedule since it was recommissioned in 1984 reveals that it has participated in 9 major evolutions and operated independently (without a CVBG) in 8 of the 9.

Since the Staten Island battleship group and the Everett carrier group are complete battlegroups, they would deploy the same way as any other battlegroup. The selected homeports for these battlegroups would reduce steaming time to potential conflicts in both the North Atlantic and the North Pacific.

In the case of a potential major conflict where a single battlegroup is not considered sufficient and additional battlegroup resources are required, then such resources would come from wherever they are available. Total steaming time for such multiple battlegroup actions under Strategic Homeporting would be reduced if the scene of conflict is in the Northern Atlantic, Pacific or Caribbean basin. The difference in steaming time to conflicts in other parts of the world requiring multiple battlegroups would be insignificant.

Question. What would happen if the gulf coast carrier and battleship groups were needed in the North Atlantic?

NOTE: GAO points out that steaming time will be greater than present ports.

Answer. Strategic Homeporting locates battlegroups so that the fleet commanders can better respond to potential conflicts wherever they might occur. However, it is not intended that the Staten Island or Everett Battle Forces, where multiple resources are necessary, would wait for those coming from diverse areas, since a substantial military advantage is gained by being on scene first in a contingency situation. Even if a contingency arose in the North Atlantic, CINCLANTFLT stated he would retain a CVBG in the Gulf for at least 30 days to ensure supply lines in the Gulf were not in jeopardy.

TRAINING

Question. What plans does the Navy have to train personnel at the new homeports?

Answer. Training of personnel at the new homeports will be conducted in the same manner as for personnel at existing homeports. Shipboard training, in port or while underway, will continue to be the primary source of fleet readiness training; in fact, shipboard training will be increased in the future per a recent decision announced by Chief of Naval Personnel. The balance of fleet training that does not occur in the port (i.e. one-time, individual training where specialized instructors, equipment and facilities are available) will use existing fleet training facilities and schools. Some team training such as for firefighting, damage control or combat information center will be provided at the new homeports where the concentration of fleet personnel can justify construction of such facilities.

Question. Does the Navy have any plans to build additional test ranges in the vicinity of the new homeports?

Answer. The Navy has no current plans for additional test ranges in the vicinity of the new homeports, since expansive restricted zones already exist off the Northwest, Northeast and Gulf Coast to conduct Anti-Aircraft Warfare, Anti-Submarine Underwater Warfare and Anti-Submarine Warfare training.

Question. Where will personnel from the new homeports receive specialized training such as firefighting?

Answer. Team training facilities, such as for firefighting, will be planned for construction at new homeports where the concentration of fleet personnel warrants such facilities. Other training requiring specialized equipment or facilities available at existing fleet training centers will continue to be conducted at these centers.

Question. Does the Navy plan on any military construction for specialized training facilities at the new homeports?

Answer. Specialized training facilities for firefighting, damage control and combat information center training are planned at homeports where the concentration of fleet personnel justifies the need for such facilities. Military construction is required for these facilities and costs are included in Navy estimates.

LOGISTICS

Question. To what extent did the Navy study logistical support needs for the new homeports?

Answer. The study team evaluation process included an evaluation of the logistical support capabilities of all potential homeport sites. The logistical support capabilities of each site were evaluated along with other factors to determine the overall best sites for homeporting within the various geographical areas.

Question. How has the Navy determined it will best provide logistical support to the new homeports?

Answer. The Navy will utilize its existing logistical support system to support the new homeports. "Point of use" storage is planned at the new activities for consumables. Resupply will be through the existing naval supply system. As at existing activities, supplemental logistical support will be contracted for though existing local infrastructure.

DREDGING, NAVAL STATION, SAN DIEGO ($1.26 MIL)

Question. How will dredging the channel impact on the station's mission to support the Pacific Fleet?

Answer. The new ships coming into the fleet over the past few years, and proposed in future, are deeper draft than the old destroyers and amphibious ships at this port. They need deeper water at the piers and in channels leading to the station, otherwise the station would be rendered useless to the newer classes of ships.

Question. What possible damages could result from a lack of dredging?

Answer. Allowing a ship to touch bottom is a major calamity. The sonar could be damaged, which would usually require drydocking the ship for repair. It the hull is damaged, the strength of the ship would be in question. The ship must normally be drydocked, carefully inspected, and repaired if it touches bottom.

FLEET INTELLIGENCE TRAINING CENTER, SAN DIEGO ($4.2 MIL)

Question. The DD 1391 shows that the student load at the Fleet Intelligence Training Center will practically double by 1989. What is the cause of this increase?

Answer. The training requirements from units of the Pacific fleet (surface combatant ships, aircraft carriers and Marine Corps) for present courses have increased 15% annually since 1983 and are expected to continue at this rate through 1989. This development, coupled with significant increases in usage of the Political Warfare/Anti Terrorism and Operational Intelligence curricula, will double the student load by 1989. Additionally, technical systems such as the Fleet Imagery Support Terminal will require training space by that time.

Question. Will you provide additional information on this program and what impact delay of this facility would have on the program.

Answer. More ships and an increased intelligence workload per ship have resulted in the heightened demand for personnel trained in intelligence cited above. Basic and advanced courses are offered in the acquisition and interpretation of aerial photography and other sensors; the special needs of at-sea and amphibious operations; intelligence data bases; and the security measures attendant to intelligence. Courses are offered to officer and enlisted personnel, both U.S and foreign; to active duty and reserve personnel; and in both initial training and refresher courses. Fifteen different courses are offered, ranging from one week to eight weeks long, with classes offered repeatedly throughout the year. With the facility requested by this project, more classes can be scheduled yearly, to attain the increased number of graduates. Conversely, any delay of this project will constrain the number of graduates to the present level (1,300 persons/year) thereby limiting the number of combat ships' personnel trained in intelligence. While it is difficult to quantify tbe effect this will have, it can only have a deleterious effect on the fleet's ability to accomplish its mission.

ELECTRICAL IMPROVEMENTS, NAVAL AMPHIBIOUS BASE, CORONADO

Question. What problems has the Naval Amphibious Base at Coronado experienced with electrical power?

Answer. the electrical distribution system for the Naval Amphibious Base cannot satisfy power requirements even by operating at full capacity. Circuit breakers in the switching stations are obsolete and repair parts are no longer available. Protective devices do not insure reliable clearing of system failures. The lack of sectionalizing devices on the primary circuits requires entire circuits to be deenergized to make repairs, perform maintenance, or add new loads. There will not be adequate, reliable electric power to serve planned new construction and construction being completed in the next year.

Question. If the base hasn't already experienced system failure and brown-outs, when do you expect it will begin to?

Answer. Numerous outages have occurred over the last few years, causing disruptive effects to the operations of many important tenant activities. Since the system is operating at near full capacity, brown-outs will be necessary in the near future as new construction comes on line.

Question. Without these improvements in FY87, what impact will it have on the mission of the bases?

Answer. Because of the advanced age of the electrical system, preventive maintenance inspections and outages will increase. Such outages will result in disruptive interference with the vital operational training missions. These missions include surface warfare officer training and amphibious warfare force training.

NAVAL ELECTRONIC SYSTEMS ENGINEERING COMPLEX, SAN DIEGO (BROADWAY COMPLEX)

Question. What is the present status of this complex?

Answer. the complex is fully utilized in its existing state. A market analysis and development plan are being prepared for planning future development of the complex. The analysis and plan should be completed in late April of this year.

Question. What is the Navy doing to work with the local government on a master plan?

Answer. A Broadway Coordinating Committee has been established, comprised of Navy and community representatives. A subcommittee was recently formed to coordinate various development plans in the vicinity of Broadway. This includes the Navy development plan.

CONSOLIDATED BRIG, NAVAL AIR STATION, MIRAMAR

Question. What security precautions will be taken at Miramar?

Answer. Navy will take the same security precautions that would be taken by any authority when operating a medium security facility. These include such items as: perimeter fencing of the entire facility; controlled access and egress to the facility, architectural design serving as an inner security measure; prisoner classification to determine confinement level; well trained staff in security considerations; etc.

Question. What steps are taken to protect the general public from those serving time at this facility?

Answer. The security measures previously mentioned as well as controlled movement and close supervision of the individual confinee should ensure protection of the general public.

Question. Explain to the subcommittee what utility run problems are related to construction of the Miramar Brig.

Answer. All utility runs are considered to be normal except for water distribution which requires a run of approximately ½ mile for connection to existing service. There are, however, problems (additional costs) associated with the installation of the required utility systems. This is because existing soil is of a hard and rocky nature and earthwork for utility installation will require more time and use of more expensive equipment.

Question. What are the reasons behind the new three tier brig program?

Answer. The new three tier brig program was developed to provide a new disciplinary system that would effectively remedy the Navy's correctional problems and replace the existing antiquated, deteriorated and often life threatening brigs in the most cost effective manner. The program encompasses a new correctional philosophy aimed at maximizing rehabilitation of the offenders so that they can be returned to duty. Replacement facilities are therefore structured to handle those offenders that are considered capable of rehabilitation and to minimize the staff to prisoner ratio.

Question. Expand on the role each tier will play.

Answer. The new Navy penal system will use three levels of confinement. Small minimum security waterfront brigs at locations of major fleet concentrations to house prisoners with sentences of 30 days of less. Three 400 person medium security consolidated brigs to house prisoners with sentences of 30 days to one year. Non-Navy facilities, such as the Army's Disciplinary Barracks at Fort Leavenworth, Kansas, or Federal Bureau of Prisons facilities, for prisoners with sentences of over one year.

Question. Will the new system result in any savings to the Navy?

Answer. With the emphasis of the new system being return to duty of offenders, it is estimated that the new system will result in savings of $50 million annually to the Navy. This is accomplished by:

Lower total construction cost for replacement brig facilities.

Less staff to prisoner ratio because of new system and modern facilities.

Higher return to duty rates for prisoners resulting in lower training costs for replacement personnel.

Question. What are some of the various crimes committed that would result in sentencing of 30 days to one year?

Answer. The majority of prisoners serving sentences of 30 days to one year are convicted for multiple unauthorized absences or misusing movements. A small percentage are convicted for drug usage or alcohol abuse. No hard core criminals will be retained in this facility.

[CLERK'S NOTE: This concludes Mr. Lowery's questions.]

Mr. HEFNER. The committee stands adjourned.

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